

González Left Reeling As Budget Is Defeated

Spanish Leader Rejects
Calls to Resign and
Hold General Election

By Barry James
International Herald Tribune

For the first time in 13 years of constitutional democracy in Spain, Parliament threw out the government's budget bill on Wednesday, but an embattled Prime Minister Felipe González rejected opposition demands for him to step down immediately and call a general election.

Mr. González, his political fortunes dimmed by allegations he condoned an illegal dirty war against Basque separatist terrorists, took the first major parliamentary defeat of his career philosophically.

"It always hurts more when it is the first time," he told reporters, "but you have to know how to win and how to lose."

Mr. González said his government, however, was not "in agony," and that he saw no reason to alter his plans to call a general election next March. He added that there is no question of the government's stepping down while Spain holds the presidency of the European Union, Madrid holds the seat until the end of the year.

The budget defeat had been forecast, and financial markets took the news without wavering. Under the constitution, the government can remain in office by rolling over the 1995 budget.

Mr. González's erstwhile allies, the Catalan nationalists, helped bring about his 183 to 158 vote defeat by casting their lot with the main opposition Popular Party led by José María Aznar. But the Catalans made it clear they were not prepared to join the right-wing Mr. Aznar in a confidence motion that could have brought the government down.

The left opposition Izquierda Unida party also voted against the budget. Its spokesman, Rafael Ribó, said that in any other European democracy, "a government without a budget would resign. That's in the democratic manual."

Like embattled leaders in France and Italy, Mr. González is wrestling with scandal, high unemployment and the need to whip public finances into shape in order to join the European single currency. His budget proposal was the toughest ever presented, aimed at reducing the public deficit from 5.9 percent of gross domestic product

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Japan's Bank Crisis Trickles Down in Asia

Institutions Pay More to Borrow,
So They Lend Less in the Region

By Kevin Murphy
International Herald Tribune

HONG KONG — The effects of Japan's banking crisis are rippling across Asia, traders and analysts said Wednesday, as Japanese banks have begun to reduce lending because of the soaring cost of the money they themselves must borrow.

Growing doubts about the soundness of Japan's financial system are forcing even the biggest Japanese banks to pay high premiums to borrow money. That, in turn, is pushing Japanese banks to retreat from some Asian bond markets, leaving Asian companies with fewer, and more expensive, sources of finance.

"Confidence in Japanese banks is currently falling dramatically on the Euro-money markets, and many Japanese banks are unable to raise funds even if they pay a Japan premium," Richard Kon, an economist at Nomura Research Institute in Tokyo, said in a report to clients Wednesday.

The premiums are soaring because of the Daiwa banking scandal and because of the hundreds of billions of dollars in questionable loans held by Japanese financial institutions.

Without Japanese banks there to underpin a growing Asian bond market, analysts and traders here warned, a continued sell-off will cause yields to rise, forcing some Asian companies to pay higher rates on the money they need for investment and expansion.

"I think the worries are spreading

more now," Philip Uglow, an economist at the money-market broker Union Discount Co., told Bloomberg Business News in London. "People are nervous of getting involved in Japanese paper, and there are signs they are having problems raising money even at premium rates."

With powerful balance sheets and strong credit ratings, many Japanese banks used to be able to borrow money more cheaply than their international rivals. Japanese banks were then able to aggressively bid up prices on bonds issued by high-quality companies they liked in South Korea and Thailand in particular.

But following Daiwa Bank's disclosure that a bond trader in New York lost more than \$1 billion in fraudulent trades, and the appearance of a "Japan Premium" on foreign loans to Japanese banks, it no longer pays Japan's banks to Asian securities at low yields. Shares in Daiwa Bank Ltd. tumbled Wednesday after a Japanese pension fund association said it would halt the flow of new funds to the bank. (Page 19)

The rates at which banks lend to each other are measured by the London interbank offered rates, known as Libor. A Japanese bank borrowing on the London money market a year ago would typically have paid as much as 10 basis points, or hundredths of a percentage point, more for its money than a European or U.S. bank.

Now, Mr. Uglow estimated that money-market firms such as his are charging

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ENDING AN OCCUPATION — Hundreds of Palestinians gathered in Jenin on Wednesday as Israel handed over the town to the Palestinian authority in the first stage of its withdrawal from the West Bank. Page 2.

Token Force Will Handle Russian Role In Bosnia

Unit Would Have
Partial Autonomy
In NATO Operation

By Joseph Fitchett
International Herald Tribune

PARIS — Seeking a formula to engage Russian troops in a NATO-led peacekeeping force in Bosnia, U.S. and Russian officials have agreed that the solution is for Russia to send only a symbolic contingent of combat forces, perhaps as few as 2,000, U.S. officials said Wednesday.

A Russian unit of that size, roughly regimental strength, would operate under its own officers, but it would be part of a larger multinational force commanded by General George Joulwan of the United States, the top military officer in the North Atlantic Treaty Organization.

The decision to make Russia's contribution only a fraction of the overall operation, which is expected to involve 60,000 troops, promises to finesse the sensitive issue of directly subordinating Russian troops to NATO commanders.

In addition, it eases the financial burden that Moscow would have to assume if it sent a larger force. There had been initial speculation that President Boris N. Yeltsin hoped to match the expected U.S. contribution of 25,000 troops as a way of maintaining Russian prestige for domestic purposes.

"They can't afford big, and we don't need big, so this idea seems like it could work out," a Clinton administration aide said.

The details are to be studied by Defense Secretary William J. Perry and Pavel S. Grachev, the Russian defense chief, in talks starting this weekend, according to officials in Washington.

For the Clinton administration, a Russian military role in Bosnian peacekeeping is important because Moscow enjoys special ties to the Serbian forces and because of the symbolic value of mobilizing a broadly international force.

But an overriding consideration has been the view in Washington that Congress will only approve a major U.S. deployment in Bosnia if military operations are under NATO command.

"It's important to have them there symbolically, for Yeltsin's sake and as reassurance for the Serbs," a Clinton aide said. "But it's even more important to ensure that Congress enables the White House to deliver on its promise to the allies that U.S. troops will be there, massively."

Mr. Yeltsin, supported by President Jacques Chirac of France, objected to the idea that Russian forces should be asked to subordinate themselves to NATO commanders in a way liable to be portrayed as a humiliation by nationalists in Moscow who are alarmed by NATO's plans for eastward expansion.

The proposal for a small Russian force will enable Mr. Yeltsin to maintain that his troops are operating under their own commanders' orders, while Mr. Clinton can assure Congress that U.S. troops are operating in a multinational operation under NATO command.

A similar formula was applied in the Gulf War, where overall operations were commanded by U.S. officers but forces from allied nations, in most cases, worked under their own officers. Only a few senior officers from each country joined the joint high command.

If this compromise holds for Bosnia, the Russian force would probably be based in Sarajevo so that it could be sent on specific missions for which it was specially suited.

"This way," a French official said, "they won't be put off in an operational corner repairing bridges or clearing mines."

For Mr. Yeltsin, it also avoids the potentially damaging situation in which Russia might seem to be ignored in the most important military operation in Europe since the end of the Cold War.

U.S. Gives Way to Japan on Accused Servicemen

By Nicholas D. Kristof
New York Times Service

TOKYO — Hoping to settle growing anger at crime by American soldiers in Japan, the United States agreed Thursday to hand over to the Japanese police American troops accused of murder or rape.

The concession is intended to defuse the passions provoked by the kidnap and rape of a 12-year-old Japanese girl last month, allegedly by three American servicemen. The three men accused in the rape, who have not yet entered pleas, have perhaps affected Japanese-American relations more than anything else this year.

The incident has provoked rage and a growing campaign against the American military bases in Japan, especially on the southern island of Okinawa.

Both the Japanese and American governments are desperately trying to calm the fury before President Bill Clinton arrives in Japan in the middle of next month for a summit meeting.

The centerpiece of the meeting is supposed to be an agreement on the importance of the American-Japanese security relationship, but the public mood toward military cooperation has turned sour since the rape.

Ambassador Walter F. Mondale said in a

statement welcoming the agreement, "The United States will continue to work diligently with the government of Japan to ensure the effective operation of the U.S.-Japan security treaty, including issues related to the American military presence in Japan."

Mr. Mondale said the agreement "will strengthen even further cooperation between U.S. and Japanese authorities."

The agreement may not immediately diminish the demands for an American withdrawal from bases in Japan, but it perhaps will ease the furor that has arisen since the rape in Okinawa.

To many Japanese, it was galling that the

American suspects were kept on an American base until their indictment, when they were handed over to the Japanese authorities.

Still, the concession by the United States raises concerns about the legal protections afforded to American soldiers accused of crimes abroad.

South Korea has been demanding that the United States revise the procedures for handing over to the Korean police any troops suspected of crimes. Now South Korea is sure to press its demands even more. The agreement with Japan is based

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CHINA TRAGEDY — A mother with a baby weeping after an earthquake in southwestern Yunnan Province left 44 dead and 20,000 homeless. Page 4.

AGENDA

Graf Antes Up in Tax Case

BONN (Reuters) — The German tennis star Steffi Graf has deposited \$14.4 million with the authorities to cover taxes that investigators suspect she and her father Peter may have evaded, her lawyer said Wednesday.

The lawyer, Peter Danckert, said it had taken a substantial effort to track down her money in overseas accounts to deposit with the authorities.

Graf's father, who has handled her financial affairs throughout her career, has been in custody since August on suspicion of tax evasion. His 26-year-old daughter has undergone two lengthy interrogations.

Family lawyers have insisted the Grafs struck a deal with authorities in 1993 in the state of Baden-Württemberg agreeing on their tax liability.

Danes Defeat Greek Team

AALBORG, Denmark (Reuters) — Aalborg of Denmark beat Panathinaikos of Greece, 2-1, on Wednesday in their European Champions' League match.

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An 'Ice Maiden' Emerges From Andes Sacrifice

By John Noble Wilford
New York Times Service

NEW YORK — On an icy, 20,700-foot summit of the Peruvian Andes, archaeologists have found the well-preserved frozen remains of a young woman who apparently had been sacrificed to the Inca gods about 500 years ago.

Her body was wrapped in finely woven wool, and she was wearing an elaborate feather headdress. Around her were rare ceramics and statuettes, artifacts of the religion that took her life on the sacred mountain.

Two more bodies were discovered at a slightly lower elevation of Mount Ampato in southern Peru. One of those was also female and was partly frozen. Little more than the skeleton remained of the third body, probably a male.

From these haunting scenes of ritual death, scientists expect to learn much more

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Heard the One About the Wedding? A Story Too Good to Be True

By Megan Rosenfeld
Washington Post Service

Some stories are just too good to spoil with the facts. Here's one: a big wedding, very lavish and stylish. At the reception, the best man gets up to make the toast. The groom hops to his feet and says he'd like to say something first.

Thank you all for coming, and for your lovely gifts. But I am going to honeymoon in Hawaii and the bride is going to Aruba, and when we come back the marriage will be annulled. And if you want to know why, look under your plates. In some versions, he says look under your chairs. In yet another version, he just holds up the under-your-plate or under-your-chair picture: the bride and the best man in what is called a "compromising position" in police company. He leaves. Gasps. Fainting. But the party continues.

As with other urban myths (tallitars in the sewer, people kidnapped for body parts, movie stars appearing in emergency rooms with gerbil troubles), many people swear this story is true. They heard it on the radio. They know someone who knows someone who was there. In some cases, they were there themselves.

But it didn't happen. One source said a friend heard this story at a hotel in New Hampshire while checking in to attend another wedding.

"I've heard that," said Gene Bryant, director of sales at the Clarion-Somerset Hotel in Nashua. "Just when you think you've heard everything, I'll ask someone on the banquet staff and call you back."

He called back. "It did not happen here," said Mr. Bryant. "But it did happen in New Hampshire. Someone on our staff heard it on the radio. I think it was KISS 108."

That would be WXKS in Medford, Massachusetts. Seems it has a morning show with a feature about weird weddings. Listeners call in to share.

A version of the tale was spread on the Internet, too, by someone who heard the best-man-and-bride story on a radio station in Chicago. In this version the groom had taped an 8-by-10 manila folder (note the precision of the details) to the bottom of every chair, directed the guests to open their surprise and waited for them to see the picture. He then turned to the best man and said "(Expletive) you," and then to the bride and said the same thing.

Then came a tip that this wedding took place at the

Glen Sanders Mansion in Scotia, New York, near Schenectady. A colleague's sister's housemate's nephew's wife's colleague heard it and swore it was true. The mansion is a premier spot for weddings in the Schenectady area.

"It did not happen," said Kimberly Kaminski, who has been delegated to handle these inquiries. "We've had over 300 calls about this. Five to 10 calls a day. Some people even say they were there! It came out of a project in a marketing class at Schenectady County Community College. They were doing an experiment in how word of mouth travels."

Brrring. Brrring. "Thank you for calling Schenectady County Community College."

"We don't have any marketing classes this semester," said Carol Chiarella, chairman of the business and law department. "But there is one professor I can ask."

That was Toby Surianese, chairman of the hotel, culinary and tourism department. He had heard the story from his wife, who heard it on the radio. Then he heard it again from the dean's secretary, who heard it at a cocktail party. So he told the story in his class while his students were working on a marketing plan.

to illustrate how rumors get started and can hurt a business. There were two students who work at the Glen Sanders Mansion, and he asked them if the story was true. They said it wasn't.

"It's clearly an impossible story," said Mr. Surianese, who has worked in the restaurant business for 30 years. "Most people, if they think there will be a favor at the wedding, pick up the plate first thing to see if it's underneath."

"Also, who would have put the pictures under the plates? It would have to be the staff, because the groom would have been at the ceremony at the time the plates are being put out. And a staff person would not have been able to resist looking at the picture and talking about it."

People love this story. They want to believe it. The Internet writer called it the Wedding Revenge story, emphasizing the retributive aspect of the groom going through with the ceremony, making the bride's parents pay for the huge reception for 300, and then wrecking the miscreants' reputations in front of all their nearest and dearest. Something so delicious just had to be true.

And Paul is dead.

Dow Jones	Trib Index
Down 29.98	Down 0.40%
4753.66	125.01

The Dollar	West coast	previous close
DM	1.392	1.3945
Pound	1.5795	1.579
Yen	101.18	100.50
FF	4.9005	4.8885

Newsstand Prices	
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Antilles.....12.50 FF	Morocco.....14 Dh
Cambodia.....1.500 CFA	Qatar.....1,000 Rials
Egypt.....E.P. 5000	Réunion.....12.50 FF
France.....10.00 FF	Saudi Arabia.....10.00 R.
Gabon.....1100 CFA	Senegal.....1,100 CFA
Greece.....350 Dr.	Spain.....225 Ptas
Italy.....2,800 Lire	Turkey.....T.L. 55,000
Ivory Coast.....1,250 CFA	U.A.E.....10,000 Dirh
Jordan.....1,250 JD	U.S. Mil. (Eur.).....\$1.20
Lebanon.....US\$ 1.50	



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Run-Up to the 1998 Vote / Speculation Centers on Ramos

Race for President of Philippines Is Already Hot

By Keith B. Richburg
Washington Post Service

MANILA — Small wonder Americans looking at Philippine politics call this a country in its own image.

There's a roaring debate over term limits. An aging movie actor who wants to be president. An ambitious Senate leader (recently removed) taking potshots at the administration. There is even a provincial governor with national ambitions offering himself as Mr. Outsider.

All this is heating up while the next presidential election is still more than two and a half years away.

Most of the current speculation centers on the incumbent, President Fidel V. Ramos, the cigar-chomping former general elected president in 1992. The constitution limits Mr. Ramos to a single six-year term, and he insists — with repeated, Shermanesque declarations — that he has no intention of staying beyond 1998. His long-term ambition, he has repeated, is to manage a golf course.

But no one seems to believe him. "It's like protesting virginity," chuckled Amanda Doronila, a political columnist.

"His word cannot be taken at face value," said a frequent critic, Senator Miriam Defensor Santiago, who narrowly lost the presidency to Mr. Ramos last time and who vows to run again.

She recalled how the late strongman Ferdinand Marcos made similar disavowals shortly before declaring martial law, rewriting the constitution and staying beyond his term.

"I think he's keeping his options open," said the Reverend John J. Carroll, a Jesuit priest who heads the Institute on Church and Social Issues at the Ateneo University here. "These trial balloons keep going up. If he really wanted to put a lid on these discussions, he could put the lid on."

THE "trial balloons" refer mainly to various — some say nefarious — moves afoot to amend the country's eight-year-old constitution and remove term limits, which also confine senators to two six-year terms and members of Congress and local officials to three three-year terms.

Without a change, many incumbent senators and members of Congress will be barred from re-election in 1998, which explains the current moves to call a constitutional convention and a related effort to petition for a referendum.

Mrs. Marcos Is In

Reuters

MANILA — Imelda Marcos, proclaiming God was on her side, completed an amazing political comeback Wednesday when the Philippine Supreme Court rejected a rival's election protest, allowing her to take her seat in Congress.

"I'm very excited about it. I don't know where to begin, and that's the truth," Mrs. Marcos told reporters in her luxury Manila apartment after the court's announcement.



President Fidel V. Ramos says he won't run again, but nobody seems to believe him.

"For politicians to be prohibited from running again is worse than death," said Senator Blas Ople, an opponent of any changes.

The talk about changing the charter is mostly coming from Congress. "These are people who want to perpetuate themselves in power," the Philippine Daily Inquirer said in a recent editorial. "These are the people who would want to amend the constitution to suit their selfish, personal ends."

Several columnists and many politicians say the desire for lifting term limits was behind the recent ouster of Edgardo Angara as Senate president. A onetime corporate lawyer and university president, Mr. Angara is seen as a leading contender for the presidency in 1998. He says Mr. Ramos secretly orchestrated his ouster from the Senate leadership to

have a clear path to change the charter.

If so, the play appears to have backfired. After Mr. Angara's removal by a majority vote of the Senate, Mr. Ramos defensively said he was not involved, and he was forced to repeat that he really means to step down in 1998.

Mr. Angara, meanwhile, is at the peak of his popularity. He has now formed what is called the Conscience Bloc in the Senate, and he has shifted from being Mr. Ramos's key legislative supporter to a critic who misses no chance to swipe at the administration.

"The term limit is really a beautiful experiment," Mr. Angara said. In the United States, "the Republicans are getting a beating because they promised term limits" and did not deliver.

Some are rallying against the elimination of

term limits. Former President Corason C. Aquino has helped begin a movement to save the constitution, and the powerful archbishop of Manila, Cardinal Jaime Sin, is helping.

In 1992, Mrs. Aquino followed the spirit of the term-limit law. She voluntarily stepped down at the end of her term even though, as the incumbent when the constitution was adopted, she could have run again. "It was so exceptional for her to renounce the prospect of staying in power," said Mr. Ople, a supporter of Mr. Angara and member of the Conscience Bloc.

If Mr. Ramos really sticks to his intentions, and the single-term limit remains in place, then the question turns to who will replace him in 1998. Business leaders and the foreign investment community are eager to see if the economic momentum building under Mr. Ramos can be sustained.

Also, observers overseas are hopeful that the Philippines is finally past the stage of coup attempts and insurgencies. In a country where personality often means power, Mr. Ramos is seen as a force for stability. Mrs. Aquino, rightly or wrongly, was widely seen as weak, and that perception drove her enemies to launch destabilizing coup attempts.

ONE possible candidate with a "strong guy" image and the ambition to want to succeed Mr. Ramos is Richard Gordon, the former mayor of Olongapo City who is now chairman of the Subic Bay authority. His success in making the former U.S. naval base viable as an investment center and free port is seen as an example of strong-minded leadership, and he is known to want to take his Subic experiment to the national level.

Another contender is Oscar Orbes, a former cabinet secretary who is campaigning quietly as Mr. Outsider from his new base as governor of Pangasinan Province. Unfortunately for Mr. Orbes, he is not widely known nationally.

Until recently, conventional wisdom was that the current vice president, the onetime movie star Joseph (Erap) Estrada, would win the presidency easily in 1998. That prospect sent jitters through the business community, as Mr. Estrada is perhaps better known for his tortured English syntax than his intellect.

His gaffes are legendary, even filling a book, and he became known as the Filipino Dan Quayle. But he long reigned as the country's most popular politician, with a Ronald Reagan personal touch.

Lately, however, Mr. Estrada's fortunes have tumbled. Mr. Ramos sidelined him from his role as anti-crime czar. Mr. Estrada seemed to condone the alleged police killings of some gangsters, saying they deserved to die.

Gregorio (Gringo) Honasan, a former coup leader and renegade colonel who was elected to the Senate last May, is seen as a possible contender. But he disavows any ambition.

COMING UP

The situation for Algerian journalists has seldom been starker. Merely writing about the forthcoming presidential election can have fatal consequences.

Israel Hands Over West Bank Town

But the PLO's Police Face Their Toughest Test So Far

By Barton Gellman
Washington Post Service

JENIN, West Bank — Just before 1 P.M. Wednesday, a cream-colored jeep arrived on the outskirts of this northernmost West Bank city. It took nearly 30 minutes to press the last hundred meters through a joyous sea of pedestrians, who sang and clapped and flew a banner that welcomed "our returning heroes with jasmine and roses."

Inside the jeep were five Palestinian police officers, weapons empty at Israel's insistence. They arrived as Israel gingerly prepared to withdraw its army from Jenin. Not much more than symbols for the moment, the five will become 1,000 by mid-November, and Israel's departure will leave them as the only armed force in a town and surrounding district of 200,000 souls.

"What we do in Jenin will be a model for the rest of the Palestinian cities in the West Bank," said Colonel Rihbi Arafat, a senior representative to the joint committee that will coordinate Israeli and Palestinian forces.

For good or ill, that is true. That makes Jenin the first substantial test of whether Palestinians can manage the crucial task of creating law and order in the West Bank, a far larger territory — and far more entangled with Israeli settlers — than they have had to rule in the Gaza Strip and Jericho.

The early days in Gaza last summer were not encouraging. Palestinian troops arrived haphazardly from abroad, got lost in neighborhoods they did not know and demonstrated daily that their training for police work was modest or worse. One policeman tried to use his rifle barrel to shoot a young boy away from a jeep and inadvertently blew a hole in his head.

"We made some mistakes here and we have learned from them," said Major General Nasser Yusef, who said he was the chief of Palestinian forces in the West Bank and Gaza.

Classified cables from U.S. diplomats here, supported by dozens of Washington Post interviews and observation of the

security forces at work, suggest that some serious problems remain unresolved.

For one thing, the chain of command is hotly contested. General Yusef is one of six commanders of competing security services under the PLO leader Yasser Arafat, and a surfeit of colonels and generals are staking claims to the West Bank or important parts of it.

"Nasser Yusef's contention that the Palestinian police force is ready to take control of the West Bank would be more convincing if his own role in the actual planning for West Bank deployment were less murky," the U.S. consul general in Jerusalem, Edward Abington, wrote last month to Secretary of State Warren M. Christopher.

The rivalries among security forces are so great that they have led to "unfortunate shooting incidents," said Terje Larsen, a Norwegian academic who is a special representative of the United Nations in Gaza City.

And the U.S. ambassador to Israel, Martin Indyk, in another cable to Mr. Christopher last month, related a recent lament made over dinner by the Palestinian Justice Minister, Fathi Abu Medein, to Mr. Indyk's visiting political officer.

The minister said he was "increasingly concerned about the proliferation of prisons in Gaza," and then began to tick them off.

Competing feildoms have been troublesome in Gaza, but the stakes are far higher in the West Bank because there is more potential for clashes with Israelis. About 140,000 settlers live among the West Bank's more than 1 million Arabs, and some of them are eager for confrontation.

Recently, for example, a right-wing member of Parliament, Rehavam Zeevi, led a provocative motorcade through self-ruled Jericho, flying an Israeli flag on his car in violation of the Israeli-Palestinian agreement. He vowed to shoot any uniformed Palestinian who tried to stop him. In fact, a Palestinian patrol pulled him over, and Mr. Zeevi balked. But few here expect that to be the last episode.

TRAVEL UPDATE

London Tube Union Calls Strike

LONDON (AP) — A London Underground union announced Wednesday that it would strike for two days in November in a protest for higher pay.

The RMT transport union staged three one-day strikes during the summer to press its claim for a 6 percent pay increase. Those stoppages caused severe disruption on some underground lines. Other unions, including Aslef, the train drivers' union, have accepted a 3 percent pay increase.

French railroad workers struck Wednesday to demand wage talks and to protest planned cuts in service that could close 6,000 kilometers of track between now and 2000. (AP)

Battered by the first major blizzard of the ski season, Denver's new high-technology airport proved to be a weak match for human error and Mother Nature. With icy winds blowing snow at 60 miles an hour, a commuter plane taxied into a snow drift in the pitch dark of Sunday night and a Boeing 727 aborted a landing at an altitude of 100 feet after the pilots noticed the flashing orange lights of a maintenance truck parked on their runway. (NYT)

Domestic flights were delayed throughout Japan on Wednesday because a computer that keeps track of changes in flight schedules broke down, the Transport Ministry said. (Reuters)

Correction

An article in the editions of Oct. 3 incorrectly identified one of two defendants in a bank liquidation lawsuit in Britain. The defendants are the accounting firms Ernst & Young and Price Waterhouse.

From Nuclear Bombs to Toy Airplanes Ex-Soviet Scientists Diversify to Make Ends Meet

By David Hoffman
Washington Post Service

MOSCOW — Nikolai Smotrov held a small glass dish of grayish diamond dust in his hand, just one of the latest industrial products that Russia is offering the world. "Look at this," he insisted, pointing to the microscopic crystals formed by a powerful explosion.

What makes the diamond dust unique is that it was manufactured in Chelyabinsk-70, once one of the Soviet Union's top-secret nuclear weapons laboratories. In earlier years, Chelyabinsk-70 and nine other "closed" cities were not even identified on a map of the Soviet Union because they were a hidden and remote network for the design and production of nuclear bombs.

The closed cities are still isolated in many respects, but today's hard times have forced them into the open. Once totally dependent on the government for generous subsidies, they no longer are protected. They still have fences and special security arrangements, but they are now looking outside their gates for economic support.

At a Moscow conference center on Tuesday, nuclear scientists and engineers from Chelyabinsk-70, Arzamas-16, Tomsk-7 and the other closed cities opened a joint public exhibition of civilian projects for which they are seeking investors.

While it is not unusual for Russian military and space industries to hold such an open exhibit, participants said the nuclear scientists' conference was the first of its kind. Five years ago most of the partic-

ipants would not even have been permitted to talk to foreigners without permission, much less propose to do business with them.

Worried about the brain drain from the nuclear weapons laboratories and reports that some scientists have been lured for large sums to countries keen on their know-how, the United States and other Western governments set up special programs after the collapse of the Soviet Union to help the nuclear engineers and scientists find useful work.

Vladimir Kruchenkov, director of the International Science and Technology Center here, said the multinational effort has approved about \$73 million for 180 projects so far in Russia, Kazakhstan, Georgia, Belarus and Armenia. About 10,000 people have received grants, a third of which are in the closed nuclear cities, on topics ranging from nuclear safety to developing new medicines.

The Moscow exhibition hall was not filled with do-it-yourself nuclear spinoffs. Most of the scientists fell silent when asked what they did in the secret laboratories. "It's still classified," said one. But from the exhibits, it was clear that those planning their hopes on civilian products have turned their attention to low-tech, everyday pursuits and to industrial needs.

For example, Igor Motorniy, chief technologist at the Instrument-Building Factory, stood proudly by a model of the Jet 500 Water Motorcycle. With a 30-horsepower engine, the vehicle can reach 34 miles per hour (54 kilometers per hour),

and the company hopes to market it for \$4,500 apiece. What makes his project different from most jet skis is that the engines began building it in their shop at the closed city of Zlatoust-36, where they also constructed parts for nuclear weapons.

Kirill Belousov also worked in a closed city, Sverdlovsk-45, where bombs were fabricated. But then he and members of his family decided to strike out on their own, making remote-controlled gas-powered model race cars and airplanes. They manufacture small piston engines that run on a mixture of castor oil and methanol. Mr. Belousov is the sales manager, trying to drum up a market for the toys in Russia, with partners in Germany and the United States.

Mr. Smotrov, a mechanical engineer and first deputy director of the Institute of Technical Physics at Chelyabinsk-70, said that civilian projects occupy about a third of the work force of 14,000 people. Among the institute's civilian proposals is an egg sorting machine, which it claims can automatically weigh, sort, mark and illuminate up to 9,000 eggs an hour. They also are seeking investors for such ideas as a tilting hospital bed, a humidity-measuring device for concrete and a host of products for industry, including the diamond dust.

The prospective businessmen in the closed cities have their own set of problems. Foreign and domestic investors cannot just come for a visit, but need special security permits to get inside. "Being a closed city means a physically closed city," Mr. Smotrov said.

French Confirm Sale Of Missiles to Taiwan

By Joseph Fitchett
International Herald Tribune

PARIS — Responding to disclosures in Taiwan, sources in Paris confirmed Wednesday that France was preparing to deliver shoulder-fired anti-aircraft missiles to the Taiwan government.

The missile deal appears not to violate France's promise to China to halt arms sales to Taiwan because the transaction predated the 1994 cutoff pledge.

"That statement was carefully crafted to cover the future, not what was already in the pipeline," a French source said. The only other significant weaponry enjoying a similar status, officials said, is follow-on equipment for the Mirage warplanes sold to Taiwan in 1992. That deal chilled relations between Beijing and Paris until France agreed to ban future sales.

Although China warned France this week against violating the agreement, French officials said that they

did not expect a major protest over the missile deal, which involves 550 Mistral missiles manufactured by Matra.

The Mistral has a range of 3 kilometers (1.8 miles), so it is categorized as a defensive weapon that poses no threat to the Chinese mainland. Although the 1994 accord did not mention "offensive" arms, the limited role of the missile was highlighted in the dispatch. Wednesday from Taiwan's Central News Agency that, divulged the French deal.

Taiwan's army commander-in-chief, General Li Chen-lin, paid a low-profile visit recently to France and signed the final arrangements for the Mistral deliveries, the agency said. It added that he also viewed other "defensive arms" that France hoped to sell to Taiwan.

China signed a contract Wednesday for a 9.45 billion-franc (\$1.93 billion) nuclear power plant to be built by French companies. The French see China as the major market for nuclear energy in the next decade.

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THE AMERICAS

Organized Labor Is Turning to New, Militant Leaders

By Peter T. Kilborn
New York Times Service

NEW YORK — Frustrated by declining wages and the erosion of political power, the nation's labor movement is turning this week to a new corps of leaders who say they are willing to adopt the tactics of civil disobedience and confrontation, largely abandoned in the 1960s.

In recent decades, even as union membership has shrunk along with inflation-adjusted pay, labor's leadership has tended to rely on politics and negotiation to carry the case of workers.

But on Wednesday, more than 1,000 delegates of the American Federation of Labor and Congress of Industrial Organizations, gathered in New York for their national convention, elected as president John J. Sweeney, who shut down the bridges to Washington last summer in a campaign to organize the janitors who clean a leading developer's office buildings.

Mr. Sweeney defeated Thomas R. Donahue,

the federation's longtime No. 2 official who had been serving as interim president, with about 56 percent of the vote.

A Sweeney-prepared convention resolution calling for training of 1,000 organizers a year, five times the current number, says, "We must first organize despite the law if we are ever to organize with the law."

Richard L. Trumka, president of the United Mine Workers and the Sweeney slate's candidate for secretary-treasurer, shouted to his supporters at the convention: "Something historic's about to happen! You are about to see corporate America's worst nightmare come true."

Linda Chavez-Thompson, a vice president of the American Federation of State, County and Municipal Employees, who is the slate's candidate for executive vice president, told a news conference, "I like to get arrested."

And she recently was, while demonstrating on behalf of hotel workers in San Francisco.

The willingness to take a page from labor's

legacy of the 1930s and 1940s, when workplace warriors like Samuel Gompers and Walter Reuther helped lift workers into the middle class, reflects a seething frustration with a Congress that labor officials see as indifferent to their members' concerns and with a declining influence of unions generally.

Whether the new approach can change the fortunes of organized labor is a wide-open question.

Unions retreated from their earlier strategy of confrontation after a number of them had acquired an image of arrogance, corruption and even violence that the federation's departing leadership celebrates having largely erased.

But unions are so small now, with only 15.5 percent of the work force — half the level of the 1950s — that mighty corporations can routinely block their organizing drives and chip away at wages with little fear of strikes.

In any case, the voices of caution are fewer and fewer among the union leaders gathered in New

York. Richard Bensinger, who runs the federation's worker-organizing institute, said it was gearing up to fight companies that discharge workers for union organizing. His institute is about to get a fivefold increase in funds, to \$20 million a year.

"We're going to react against that corporation in a 100-fold, magnified way," Mr. Bensinger said.

"We should sit down. Agree to spend a day in jail on behalf of the first worker who is fired. We have to send a message that this is a social movement. We're a moral force in society. It seems to me we should do what is morally right."

Joel Ochoa Perez, a machinists' union organizer from Southern California, said: "This is the first time I see organizing put right at the top of the agenda."

"For the first time," Mr. Perez said, "the AFL-CIO is not just talking about organizing but about ways to organize."

Chrétien Appeals to Quebec Voters for 'No' Vote

Compiled by Our Staff From Dispatches

MONTREAL — Backers of Canadian national unity have been shaken this week by the surging momentum of the Quebec separatists. Recent polls show the Quebec electorate evenly divided on the ballot proposal, which would open the way for the separation of the French-speaking province from the rest of Canada.

Struggling to prevent the separatists from partitioning the country, Prime Minister Jean Chrétien urged Quebec voters to "think it through" before voting for independence Monday in a referendum.

"The breakup of Canada would be the failure of a dream," he told a crowd of more than 7,000 Tuesday night at a hockey arena here.

"It would be the end of a country that is the envy of all the world. It would be the failure of a country that is a model for countries in the process of building their own institutions."

"Canada may not be perfect," he added. "But it is a country worth fighting for, worth doing the impossible to preserve."

President Bill Clinton added his support for unity on Wednesday, after saying the question was "an internal Canadian issue."

The president, asked about it at a White House press conference, said, "A strong and unified Canada has been a wonderful partner for the United States. Canada has been a great model for the rest of the world and has been a great partner to the United States, and I hope that can continue."

In Canada, a desperate tone has crept into the unity camp. A top federalist official said on national radio that "the wheels have come off" the campaign. Infighting has wracked the federalist side for several days



Prime Minister Jean Chrétien waving to the crowd at a rally in Montreal, where he pleaded for Canadian unity.

as its leaders argued over whether to make a last-minute offer of constitutional reform that would recognize Quebec as a distinct, French-speaking society. About 82 percent of Quebecers are French-speaking.

Mr. Chrétien, who reworked his schedule this week to concentrate on the referendum, took a halfway approach in his speech. He made no specific offer but suggested Quebecers could get the kind of consti-

tutional changes they want if they rejected separation.

His speech was notable for its serious tone and strict appeal to reason, and it contrasted sharply with the passionate campaign rhetoric of the separatist firebrand Lucien Bouchard, who stirs the emotions and pride of French-speaking Quebecers and is credited with separatist upturn.

Mr. Chrétien will have at least one more opportunity to sway

votes, with a televised address Wednesday night. The separatists have been offered equal time to reply.

A separatist victory would not trigger immediate independence for Quebec, but that would be the eventual result.

The separatists have offered to negotiate with Canada for up to a year on a new economic and political partnership, but with the option of unilaterally declaring independence at any

point if they felt Canada was not cooperating.

Financial traders, alarmed by polls showing the separatists ahead, sent the Canadian dollar and the Toronto stock market sharply downward Monday.

The markets stabilized Tuesday and slipped slightly Wednesday, but the Bank of Canada raised its bank rate from 6.67 percent to 7.65 percent, the largest jump in three years. (LAT, AP)

Zedillo Assailed For Arrest Of Rebel

By Julia Preston
New York Times Service

MEXICO CITY — News of the arrest of a reputed senior guerrilla commander has drawn an outcry of opposition protest and raised doubts about the government's commitment to peace talks with the rebels.

The attorney general announced that the police in Mexico City had arrested Fernando Yanez Muñoz, suspected of being "Commander German," a military leader of the January 1994 uprising in the state of Chiapas by the mainly Indian rebels of the Zapatista National Liberation Army.

The police said they found an automatic rifle, a pistol and ammunition in the car in which Mr. Yanez was riding when he was arrested Saturday night. He was charged with illegal weapons possession.

The police said that Mr. Yanez had stumbled into an anti-weapons patrol in the capital. Their account differed sharply from a description provided by Mr. Yanez and two witnesses detained with him, who said in interviews in jail that they were seized in a planned operation.

Lawyers for Mr. Yanez accused the government of planting evidence and fabricating the charges.

The arrest came at a delicate moment, just as a new round of negotiations between the government of President Ernesto Zedillo and the Zapatistas concluded in Chiapas.

The opposition accused the government of undermining the talks and contradicting its own policies.

Under a law passed by the Congress in March to try to create a conciliatory environment, all pending arrest warrants against Zapatista militants were lifted for as long as the negotiations continued.

Warrants had been announced a month earlier by Mr. Zedillo, who identified Mr. Yanez as No. 2 on the wanted list of Zapatistas during an army offensive against the rebels.

The Interior Ministry, trying to calm the confusion about its policies, called on the Zapatistas to "maintain their pro-dialogue attitude" and played down the arrest as a police action unrelated to the peace talks. The government said it had not violated the temporary amnesty law because Mr. Yanez was arrested on charges separate from those that were suspended.

After five days of often-raging discussions, the two sides adjourned the Chiapas talks Sunday with a consensus that Mexico's Indian people should have more autonomous self-government. But negotiations on achieving this are weeks away.

POLITICAL NOTES

Perot Makes Ballot in California

LOS ANGELES — Ross Perot said his new political party had signed up more than enough members to achieve its first and most difficult goal — getting on the 1996 presidential ballot in California, the nation's richest treasure of electoral votes.

"It's done," the Texas billionaire said as volunteer sign-up teams headed for registrar offices across the state to meet Tuesday's 5 P.M. deadline for turning in the last of the required 89,007 signatures.

California elections officials said they had received what appeared to be more than the requisite number of signatures, perhaps in excess of 100,000. But they added that they would need several days to tally and verify them.

"If everything is in line, and we'll just have to see, we might be able to make it official by the weekend," said Beth Miller, an aide to Secretary of State Bill Jones, the top California elections official.

If Mr. Perot can now get on the fall ballot in the 49 remaining states, it could be bad news for the 1996 Republican presidential nominee. Pollsters say that Perot backers now tend to be more Republican than Democratic and that a third-party candidate well might split the Republican vote. (NYT)

Farrakhan Revels in Limelight

CHICAGO — In the week since hundreds of thousands of black men heeded his call and poured into Washington for a day of prayer and protest, Louis Farrakhan of the Nation of Islam has begun to moderate his language in an apparent campaign to broaden his political support.

In a speech in Chicago on Monday night to hundreds of Muslims and non-Muslims packed into his ornate mosque on the South Side, Mr. Farrakhan said he would try to become more statesman-like in his language and behavior because the march had elevated his stature and his responsibility.

"You can say things in the basement that you can't say when you're on the first floor," he said. "As God starts taking you up, you have to practice more statesmanship."

Whether Mr. Farrakhan is moving closer to the political mainstream, or merely changing his message, is unclear. He has reached out before, particularly to Jews who felt aggrieved by his comments, only to plunge into new controversy.

In any case, the political fallout and broad debate touched off by the march have broadened his visibility well beyond his core followers. (NYT)

Whitewater Subpoenas Prepared

WASHINGTON — Laying the groundwork for a new round of hearings early next month, the Senate Whitewater committee began Wednesday to prepare broadly worded subpoenas for information from President Bill Clinton, Hillary Rodham Clinton and many significant and lesser known figures in the wide investigation.

The subpoenas, to be issued Thursday, followed the emergence of new evidence that Republicans said demonstrated that Mrs. Clinton was involved in the decision to prevent investigators from poring over the files of Vincent W. Foster Jr., the deputy White House counsel, after his suicide two years ago.

The committee concluded hearings on the handling of Mr. Foster's files two months ago, but the new evidence — telephone records from two of Mrs. Clinton's closest advisers — prompted a decision by the Whitewater committee's chairman, Senator Alfonse M. D'Amato, to reopen those proceedings, even as the committee also moves into other areas.

Senior Justice Department officials have testified that investigators were initially told that they would be permitted to look at Mr. Foster's files to search for clues of his death but that the agreement was changed at the last minute by Bernard W. Nussbaum, the White House counsel.

Mr. Nussbaum has said that there was no agreement and that he alone made the decision on July 22, 1993, two days after Mr. Foster's death to limit access to the files. The White House has also said that Mrs. Clinton played no role in Mr. Nussbaum's decision. (NYT)

Quote/Unquote

Senator Phil Gramm of Texas, attacking Senator Bob Dole at a dinner for Republican conservatives, for changing his positions too often: "I think we need a leader who knows who he is and knows what he believes."

Mr. Dole, Mr. Gramm's rival for the party's presidential nomination next year, said: "Let's get out and beat Bill Clinton and not beat up on each other." (AP)

Away From Politics

• Four black students were charged in Rock Hill, South Carolina, for beating a white schoolmate who criticized an interracial couple. Authorities were seeking two more suspects. (AP)

• A sixth FBI agent has been suspended for his part in the Ruby Ridge shoot-out as federal prosecutors stepped up their investigation of whether officials covered up their roles in the deadly 1992 siege. George Michael Baird, a supervisor in the Salt Lake City office, was put on administrative leave with pay until the investigation is complete, the FBI said. (AP)

• Prostitutes on Manhattan's Lower East Side led the police to a 39-year-old security guard who was suspected of a series of sexual attacks that left two women dead and four injured, the police said. James Jones, 39, was arrested after two women said they recognized him from sketches distributed by the police. (NYT)

• The pilot of an American Eagle commuter plane was to blame for a crash that killed 15 people in North Carolina in December, the National Transportation Safety Board said. The pilot, Michael P. Hillis, incorrectly assumed that an engine had failed, the board said. He then failed to follow proper procedures for engine failure and stall recovery. The plane crashed as it circled for a second landing attempt. The pilot, co-pilot and 13 of the 18 passengers died. (AP)

On Campuses, Racial Divide Becomes More Shrill

By Peter Applebome
New York Times Service

NEW YORK — At Columbia University, the flash point was a virulently anti-Semitic newspaper column praising the "Million Man March." At the University of Southern California, it was a racist flier calling on whites to arm themselves against blacks.

While racial issues, particularly the O. J. Simpson verdict and the huge demonstration in Washington last week, have stirred the nation this month, they have had an even stronger impact on college campuses, where blacks and whites live and work together to a degree they seldom do elsewhere, where racial division has become increasingly institutionalized in separate dormitories or dormitory floors, and where remnants of youthful idealism often collide with a pinched, competitive view of the forbidding job market ahead.

Interviews with students around the country indicate that young people not only disagree about how to confront the racial divide but also, on campuses that once provided the shock troops for the civil rights movement, now often disagree even on what it is.

The tensions have shown up from Chocolate City, the name chosen by blacks for the three dormitory floors at the Massachusetts Institute of Technology where black students live together, to the University of Southern California, Mr. Simpson's alma mater, where the university's president, Steven B. Sample,

felt the need to take out a full-page ad in the campus newspaper, The Daily Trojan, titled, "Speak Out Against Bigotry and Hatred."

"It's really disappointing," said Shadi Rassouli, a freshman at Emory University in Atlanta who identified herself as Persian and said she had been stunned by how much racial division she found on campus.

"It's past disappointing. It's shocking. This is a college campus; it's not a bunch of ignorant hillbillies. But you feel as if someone turned the clock back 30 years."

Already these events have occurred in a school year that is only a few weeks old:

• At Columbia, many students were outraged by a column written by a black student in the campus newspaper denouncing Jewish critics of the Million Man March, saying, "Lift up the yarmulke and what you will find is the blood of billions of Africans weighing on their heads."

• At the University of Southern California, a flier circulated on campus after the Simpson verdict read in part: "I need to alert all the whites" about "the niggers" and continued: "Take up arms and defend yourselves, my brothers."

• At Kent State University in Ohio, black students said they were subjected to racial slurs by whites angry over the Simpson verdict.

Many students said the reaction to Mr. Simpson's acquittal by a predominantly black jury on charges that he murdered his former wife and her friend, and to the

Million Man March, have only highlighted differences that existed before and that exist in the rest of the society as well. And extremely inflammatory incidents remain relatively rare.

In interviews, blacks generally said that the outrage of whites over the Simpson verdict and their tendency to view the Million Man March simply in terms of Louis Farrakhan's involvement was evidence of bow ingrained white racism is.

Throw in the diffuse feelings and lurking grievances about affirmative action in college admissions, scholarships and hiring, and the overall picture of racial relations on campus is that of one that seems to get more brittle as time goes by.

"I'm afraid race relations have gone down the tubes," said Brian Dunn, a white sophomore at Santa Monica College in California.

Some students, blacks and whites, said they saw something positive in the way racial feelings have been brought into the open. And many said that, despite the tendency of different ethnic groups to flock together, most students relate to one another with a cordial, if distant, amity.

"Racism, if you brought it up before, it would seem like you were trying to incite things," said Marten Whitley, a 19-year-old black student at the University of Texas. "But with the O. J. trial and the Million Man March, it's almost like you don't have a choice but to talk about it."

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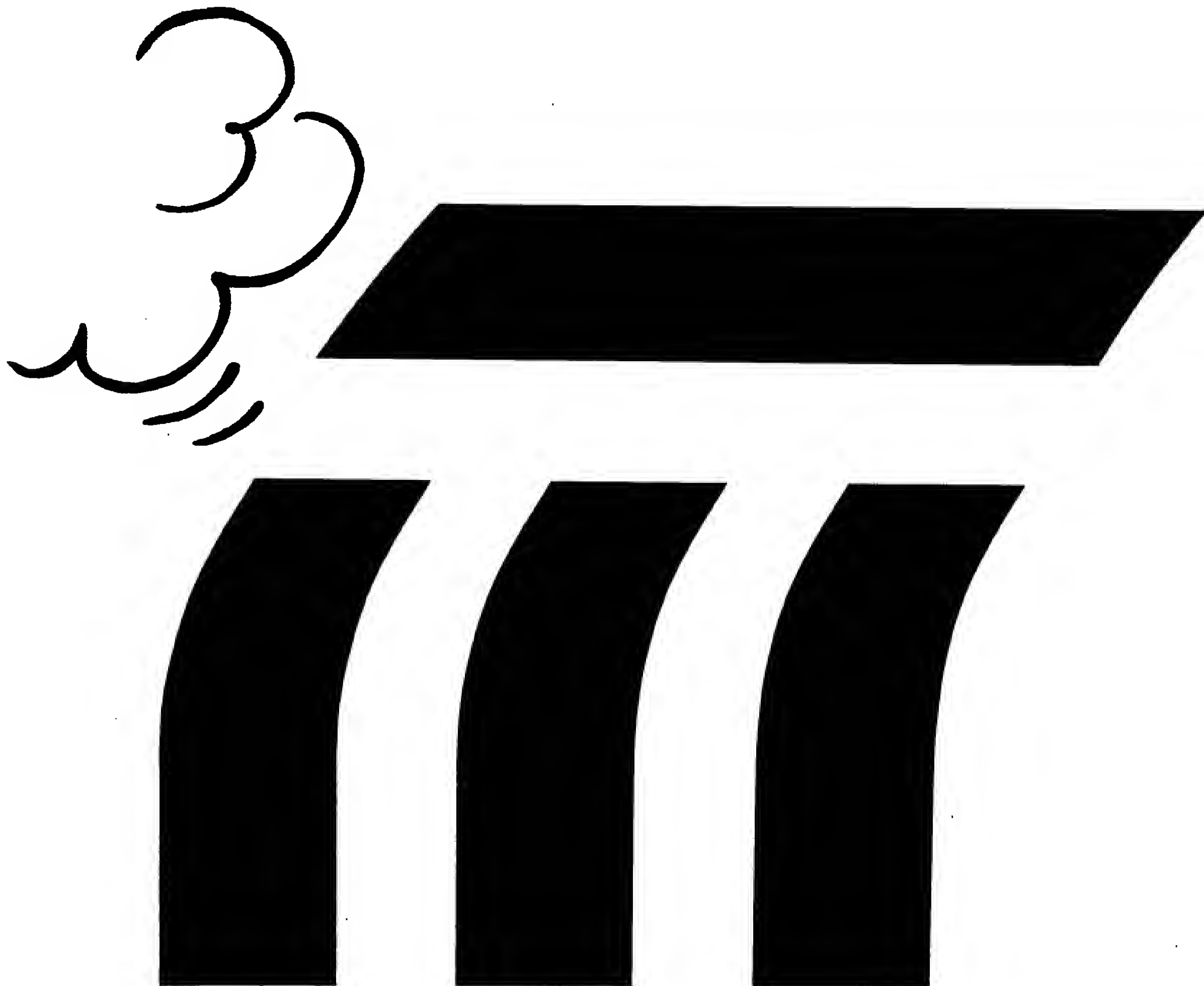
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EDITORIALS/OPINION

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Russia, Not Yeltsin, Is Key

Look at Boris Yeltsin as a politician running for re-election. That best explains the Russian president's performance at Hyde Park with Bill Clinton. He arrived having just humiliated his loyal foreign minister, Andrei Kozyrev, to get right with Communist and nationalist critics of his cooperation with America. He then put on a demonstration of his personal prowess in foreign policy, coming on for the Russian public as the man in charge, the one who can make the American connection work. The gritty problem of the command of Russian peacekeeping forces in Bosnia he deftly handed off to a professional tough guy, Defense Minister Pavel Grachev.

Not a bad day for him, politically speaking, either. Bosnia was the necessary centerpiece. The challenge for the United States remains to keep NATO in command — otherwise Mr. Clinton would have no hope of getting American troops there — but meanwhile to find a noninterfering but respectably serious role for Russian forces.

As specific problems go, this is not such a big one. The two presidents were on the right track in assigning it to the next echelon. It is perfectly obvious that the United States has the diplomatic mo-

mentum up in Bosnia and that Russia, dependent on Washington to make a place for it, does not wish to take the rap for spoiling the small hope that exists. A resolution of the command issue, providing a first example of Russian-American cooperation on European security, would also ease the far larger and persisting issue of NATO expansion.

Russia faces parliamentary elections in December and presidential elections in 1996. President Yeltsin has even more pressure on him than does President Clinton to show he can uphold his country's interests. Any objective Russian is bound to realize that a hard nationalist line minimizing relations with Washington is a false option, a dead end. Yet any responsible American has to realize that Russia — not Mr. Yeltsin, who is just one man — having come down so far and so fast in the world, needs careful handling.

With or without Mr. Yeltsin — for that matter with or without Mr. Clinton — things are bound to be ragged between the two countries for an extended time. That's an argument for a steady long-term approach that asserts the American interest, invites Russian cooperation but does not artificially force issues of prestige upon uncertain Russian leaders.

—THE WASHINGTON POST.

Symbolic Justice in Chile

The retired General Manuel Contreras Sepulveda has finally gone to prison, five months after Chile's Supreme Court ordered him there for the 1976 car-bomb murders in Washington of a leftist Chilean official, Orlando Letelier, and Ronni Moffitt, his American assistant. Mr. Contreras headed the secret police during the first, most murderous years of General Augusto Pinochet's dictatorship. His incarceration is a relief, but now Chile's struggle to control the military shifts to other fronts.

In 1993, a Chilean court convicted Mr. Contreras and his second in command, Brigadier General Pedro Espinoza Bravo, of ordering the killing of Mr. Letelier. The Chilean Supreme Court confirmed the verdict earlier this year. After a few days of defiance, Mr. Espinoza gave himself up. But Mr. Contreras used every argument he could to stay out of prison.

His legal contortions would have been comical had they not received the support and collaboration of the Chilean military, still led by General Pinochet. Chile always prided itself on being one of the few Latin American nations that did not have to

—THE NEW YORK TIMES.

An Independent Quebec?

Quebec's voters once again wonder whether they would not be happier as a sovereign country, independent of the rest of Canada. The referendum is to be held on Monday. But the people of Quebec are not the only ones with a stake in the results.

The U.S. government has been trying to keep a delicate balance when it talks about the referendum. As politics, it's an internal issue for Canadians and none of their neighbors' business. But as economics, it could have a substantial impact on both sides of the border.

Leaders of the Quebec separatist movement have been assuring their listeners that the effect on business would be minor. They assume that an independent Quebec would automatically continue to be covered by all the trade agreements that now bind the United States and Canada. On the contrary, an independent Quebec would automatically be cut off from those agreements. For reasons that appear to be imperfectly understood in Quebec, it might take a long time — a matter of years — to renegotiate them.

Almost one-fourth of all U.S. exports go to Canada, twice the volume to any other country. Any disruption is going to hurt U.S. exporters. The new North American Free Trade Agreement is the most important of the legal instruments that protect and promote this enormous flow of goods and money.

If Quebec were to become genuinely independent, it would no longer belong to NAFTA. Its goods entering the United States would have to pay higher tariffs. The assurances on investment would no longer pertain. Parts made in Quebec would probably no longer qualify as North American content under the rules for automobiles entering this country. While the administration would certainly support legislation admitting Quebec to the free trade area, the legislation would revive the smoldering quarrels over NAFTA and would become entangled in a fierce struggle having little to do with Quebec and everything to do with American domestic politics.

—Los Angeles Times

Other Comment

U.S. Troops in Okinawa

By the time President Clinton arrives in Osaka for the Nov. 16 opening of the Asia Pacific Economic Cooperation forum, the Japanese trial of three U.S. servicemen charged with raping a 12-year-old girl on Okinawa, set to begin Nov. 7, probably will be over. But the political fallout from that case seems sure to vex U.S.-Japan relations for a long time.

Last weekend saw the largest protest rally in Okinawa's history, a sign of outrage over the rape and of long-term resentment over the large and, say Okinawans, excessively intrusive U.S. military presence. It's clear that change is coming in a U.S. presence that dates back 50 years to the conquest of Okinawa in the final months of World War II. Defense Secretary William J. Perry says Washington is ready to consider a reduced U.S. role if Japan requests it. Mr. Perry believes, and most Japanese support agree, that the United States and Japan share a strategic interest in keeping U.S. troops in Japan. But the disappearance of the Soviet threat, the basis for the mutual security pact, requires a fresh justification.

—Los Angeles Times

Sacred Blue! The French President Spoke English

By Jim Hoagland

NEW YORK — Cher Philippe: History was made here tonight, mon vieux. And you French may never be the same.

It is only a few minutes since Jacques Chirac did something that many Americans thought they would never see the head Frenchman do in public. But there the French president was, on American television, giving a lengthy interview.

Totally in English. Fluid, clear English. Sacred blue. Do I hear Charles de Gaulle, Georges Clemenceau and Diderot simultaneously turning in their graves? Or is that sound the French Academy shutting shop, abandoning its campaign to keep the French language pure and dominant by stamping out of French dictionaries and public discourse creeping Americanisms?

This is change on the hoof. Anyone who has lived in France — or just tried to get a decent table from a maitre d' there — knows how disdainful your countrymen can be of *les Rosbifs* (les British if you prefer) and us *Ricains* for not learning the world's most elegant language. We know that your language is a fundamental part of your national identity.

That is why Mr. Chirac's appearance on the Larry King interview show will

come as a shock for America's Francophiles and Francophobes alike. Mr. Chirac confounded friend and foe by tele-visually acknowledging that the world cannot live by French alone.

You asked that I write with American impressions of Mr. Chirac's visit here for the United Nations' 50th anniversary. But for history, what Mr. Chirac said to Mr. King's viewers will be dwarfed by the linguistic medium in which he said it.

Admittedly, the trend of the French speaking English started two decades ago as world trade and mass tourism became important to French commerce and rock music became important to French youth.

But your politicians seemed to lag behind society at large. Valéry Giscard d'Estaing, elected president in 1974, spoke fluent English in private. But I recall that he spoke French in interviews and public appearances. I don't know that his more traditionalist and literary-minded successor, François Mitterrand, ever uttered a word of English to anyone.

Mr. Mitterrand once fixed a steely,

disapproving glare on an aide who suggested that he learn a few phrases of English to soften up Margaret Thatcher at the beginning of a meeting. The aide could not tell whether learning English or charming the Iron Lady struck Mr. Mitterrand as the more absurd idea.

But in Mr. Chirac, 62, you have a president who spent a summer as a student in the United States and who, happily, has never gotten over it.

Ronald Reagan told every Frenchman he ever met the story of his one jeep trip through Normandy. Mr. Chirac takes enormous pride in recounting a summer spent as a student at Harvard, a soda jerk at Howard Johnson's and a forklift operator in a beer factory. At lunch with a few reporters here, he sipped a Michelob while the waiters poured wine for the scribes.

For this American, this French president has an amazing enthusiasm for being one of the guys. He says what he thinks, even if it contradicts what he has said a few minutes before. These are refreshing traits. But they may also help explain why Mr. Chirac's government has plunged precipitously in French public opinion polls since his election in May.

Mr. Chirac's one-of-the-guys manner serves to demystify the French presidency, which de Gaulle and his successors had elevated to Olympian heights. Speaking English to Americans is also a sign of putting modern realism above historic grandeur. But such popularization takes away protective guardrails for a national leader — as Jimmy Carter established in an American context.

When Mr. King quizzed Mr. Chirac on the international controversy over French nuclear testing, Mr. Chirac asserted that Chancellor Helmut Kohl of Germany and other European heavyweights supported France's stand. That is something Mr. Kohl has carefully avoided saying to his own nuclear-allergic electorate. Moreover, Mr. Chirac called Mr. Mitterrand's decision to stop testing in 1992 "political" and "irresponsible." Criticisms he avoided in a French television interview on the same subject.

But those small pings did not rob American ears of the pleasure of the moment. Now, if the head waiter at Taillevent or Maxim's could be made to follow the presidential example...

Washington Post Writers Group.

U.S. Troops Are Going, but What's American Policy on Bosnia?

By Richard Perle and Paul Wolfowitz

WASHINGTON — Recent administration talking points on the decision to send American troops to Bosnia were curiously incomplete: The section entitled "What are the objectives?" was blank. Sections outlining the number of troops to be sent, the command arrangements and the duration of the deployment were complete, those issues apparently settled.

Logically, one would expect the objectives of a military deployment to be clearly defined first. But there is little logic, and less clarity, in administration thinking about Bosnia.

If the president has his way, 20,000 American soldiers will be sent to Bosnia on a mission that has not yet been defined, to implement an agreement that does not yet exist.

They might go to support a "peace" arrangement that is stable and lasting, one that provides a multi-ethnic Bosnia with boundaries the Bosnians themselves can defend. But the agreement now being worked out is far more likely to be unstable and short-lived, leaving Bosnia a Muslim ghetto with indefensible borders. Secretary of State Warren Christopher says our boys will return home within a year, but he doesn't say how they might be safely withdrawn without risking the collapse of any agreement they are sent to Bosnia to protect.

Without knowing the details of the agreement American troops would be sent to enforce, neither the president nor Congress can judge whether sending them is foolish or wise, whether the benefits outweigh the risks. Sometimes, peacekeeping missions are prudent and wise, as in the case of the U.S. presence in Sinai. But what makes that mission prudent — and fundamentally different from Bosnia — is that both Israel and Egypt want a stable peace and welcome U.S. monitors, the terms of the agreement are clear and, most of all, the agreement is enforced fundamentally by a stable balance between the parties, not by American troops.



The Biggest, Meanest Dog on the Block Gets His Orders...

In Bosnia, at least one side will likely seek to gain advantages by violating an agreement that will be neither clear nor self-enforcing. The continuing military imbalance virtually guarantees that. There are limits to how far peacekeeping can go in patching together an agreement that is otherwise unable to stand on its own. The record in Bosnia thus far should give us pause. U.S. forces could well find themselves the targets of dissatisfied parties, possibly on all sides — a far cry from the Sinai mission and ominously like the ill-defined mission in Lebanon in 1982.

There has been significant progress in Bosnia in the past several weeks. But it is NATO air power, not peacekeepers, and, more important, the effectiveness of Croatian and Bosnian forces on the ground, that have been the key to the progress that has brought this about. Indeed, that progress has come not because of peacekeepers but in spite of them.

This is no criticism of the peacekeepers themselves, who bravely risk their lives on a daily basis. But their limited mission and rules of engagement have regularly forced them to look on helplessly as the people they were supposed to protect were slaughtered. They have been held hostage to prevent the effective use of NATO air power, which became possible only after they were deployed to safer positions. Perhaps worst of all, concern for their safety has been the major argument against providing the Bosnians the means to defend themselves.

Vacillation and weakness have marked American policy in Bosnia under both Presidents Bush and Clinton. We have participated in a shameful embargo that kept Bosnia from defending itself. We supported "safe" zones and "no-fly" zones and then stood by while people in "safe" zones were massacred, sometimes bombed by Serb

planes violating the "no-fly" zones. Those zones are being violated now, even as we try to fashion a "peace" that will require potential victims to accept assurances that outside forces will protect them.

Before committing peacekeepers, whether NATO or American, to Bosnia, the administration needs first to achieve a fair, stable and uncoerced peace on the basis of which it can then — and only then — define their mission. There is still time for the administration to develop a clear and workable plan before confronting Congress with an impossible choice between a foolhardy deployment and repudiation of an American president.

Most of all, the administration needs to clarify the potentially contradictory relationship between peacekeepers and the more effective underpinnings of a stable agreement: the ability of the Bosnians to defend themselves,

backed up perhaps with the threat of NATO air power. After more than 2½ years of claiming to deplore the embargo against Bosnia — while enforcing it all the same — vague hints that it will be lifted with a peace agreement are neither adequate nor convincing.

Congress has correctly made the Bosnians' ability to defend themselves a central concern of U.S. policy. This is the right time to press this issue. U.S. peacekeepers should not be sent to protect Bosnians who continue to be rendered helpless by an arms embargo that an ill-conceived peacekeeping arrangement might only reinforce.

Richard Perle is a fellow at the American Enterprise Institute and former assistant secretary of defense. Paul Wolfowitz is dean of the Johns Hopkins University Nitze School and a former undersecretary of defense. They contributed this comment to The Washington Post.

Mubarak and the "Mummification" of (Almost) Modern Egypt

By Thomas L. Friedman

CAIRO — There was a very revealing cultural flap here last month.

Magda Roumy, the immensely popular Lebanese singer who first came to fame crooning in Egyptian Arabic in Cairo in the 1980s, decided not to take part in the Cairo International Song Festival.

She and her band said they weren't coming to Cairo because, well, it was no longer hip — no longer the Big Apple of the Arab world.

The Egyptian musicians' union was so insulted it voted to ban her from performing in Egypt.

It's been that kind of year for Egypt. Cairo don't get no respect anymore. King Hussein made peace with Israel and didn't even bother to call — not a card, not a letter. The Egyptians had to learn about it from the Israelis.

Last year, Saudi Arabia flogged an Egyptian doctor working there, after he complained that a Saudi schoolteacher had sexually abused his son. Egyptians were outraged, but President Hosni Mubarak couldn't retaliate because of Egypt's financial dependence on Riyadh.

Egypt has long considered itself the leader of the Arab East. This was due to its size, its mil-

itary power, its rich literature, newspapers, theater and film industry, which dominated Arab culture, and its historical legacy as the pathbreaker of reform for the Arab world. U.S.-Soviet competition for Egypt's allegiance in the Cold War, coupled with Egypt's role in promoting Arab-Israeli peace, further enhanced Cairo's geopolitical significance.

But today the Cold War is over, the Jordan River, where the Zionists, the Jordanian Hashemites, and the Palestinians are coming together in a loose economic federation that, despite all its contradictions, is going to radiate power and influence.

That is Egypt's nightmare. That's why Cairo's Al Shaab newspaper complained that while Egypt would be proposing 75 investment projects at next week's Amman Economic Summit, "Jordan made a list of 250 projects, mostly for bilateral cooperation with the Zionist entity."

By all rights, Egypt should be the China of the Middle East, in terms of attracting foreign investment, but it's not. Egypt has a huge domestic market, a labor force whose average wage is 5 percent of the average in Europe, and 13 universities pouring out thousands of talented engineers, doctors, and technicians. But the best of them have to go abroad to find work.

I went to a computer fair here last week. It was packed with young Egyptians. You can feel this country wants to go somewhere, but no one is leading the way.

Mr. Mubarak deserves credit for the stability he has brought to Egypt. But stability is not enough. Mr. Mubarak has failed to provide any blueprint for making Egypt more competitive, democratic, free-market-oriented, and open to the world, and so stability has hardened into stagnation.

Mr. Mubarak's economic ministers are constantly pulling him

in different directions, because he provides no clear signals from the top. Except for a couple of young ministers, the Mubarak cabinet is dominated by aging apparatchiks who think the Internet is something you catch fish with on the Nile.

As one Egyptian editor remarked: "Money? We have money. Workers? We have workers. Vision? We have no vision."

Complained another Cairo intellectual: "Mubarak has perfect-

ed the mummification of Egypt." An Egyptian sociologist, Saad Eddin Ibrahim, likes to say that Egypt is the "almost" country.

It is almost a democracy, it is almost a free market, it is almost a multiparty system, it has almost a free press, its economy is almost ready to take off.

But as long as it is almost all those things, Egypt will also be "almost" the leader of the Arab world. Not quite — almost.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Japan Fortifies

BERLIN — Very disquieting news has been received here from Tokyo. It is asserted that the Japanese are arming in feverish haste as if in preparation for a death struggle. They are said to have erected strong forts on the Korean coast in order to better withstand an attack from Russia. Fresh complications appear to be inevitable in these remote regions, but whatever happens it appears certain that Germany will not take up arms against Japan over the possession of Korea.

1920: Roosevelt Labeled

NEW YORK — Mr. Franklin D. Roosevelt, Democratic nominee for Vice-President today (Oct. 25) requested Federal Attorney Clegg, to bring criminal libel action against Mr. John R. Rathon, editor of the Providence "Journal," following the publication of an open letter from Mr. Rathon charging

that Mr. Roosevelt reinstated in the Navy many men convicted of unnatural crimes, and sequestered or destroyed many records regarding conditions in Portsmouth Prison. In addition, Mr. Roosevelt says that he has instructed his personal counsel to bring a civil suit against Mr. Rathon and all persons and newspapers involved in the publication of the libel.

1945: Flowery Thanks

WASHINGTON — Girls wearing wooden shoes and the colorful national dresses of the Netherlands planted several hundred flower bulbs in the Capitol ground in a ceremony to the United States for liberation and relief. The bulbs are part of 600,000 to be planted in various places in the United States. Dutch Ambassador Alexander Loudon, who presented the bulbs, said they were sent to America in the same parachute cases in which food was delivered to the Dutch before their liberation.

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OPINION/LETTERS

No One Should Practice
The Shorthand of Race

By Shelby Steele

MONTEREY, California — In the furor over the O. J. Simpson verdict and the Million Man March, Americans seem to have forgotten something that was more obvious during the civil rights movement: that race, though a biological fact, is a dangerously empty distinction because it can carry whatever meaning we give it without the support of reason or evidence.

This freedom from reason is what makes the idea of race so perniciously convenient. Make the color black mean inferior and, without ever having to prove inferiority, you've got a couple of centuries of slavery.

Whenever we give a convenient meaning to race, we are general-

spawned a language of good intentions — diversity, cultural identity, multiculturalism, pluralism — that often conceals a use of race as a currency of power.

Thus lurking behind worthy ideas is a society deeply divided by persistent inequality, the proliferation of demagogues and a relentless racial politics that erodes more national common ground every day.

America suffers as much today from a well-intentioned identification of its citizens by race as it does from old-fashioned racism.

This is what joins Bill Clinton's defense of affirmative action last summer to Louis Farrakhan's speech at the Million Man March last week. Both men announced worthy goals while using race as a convenient means to power.

Invoking "diversity" let President Clinton support racial preferences, a position he no doubt hopes will secure the black vote. And the theme of black male responsibility justified Mr. Farrakhan's organizing of a huge and exclusively black gathering that he no doubt hopes will win him power in the political mainstream.

The affirmative-action debate is about whether or not to keep using race as a distinction of convenience in American life. If this debate is different in scale from the struggle over segregation 30 years ago, it is not different in essence.

Racial preferences, like segregation, are conveniences that have created an ancestral entitlement right in the middle of a democracy and are fundamentally an assault on democratic principles.

To be against affirmative action is not to be against reform. Surely America can bring marginalized people into the mainstream without so dangerous an oversimplification of society.

It can do this by fostering higher educational expectations, safer neighborhoods and prenatal care, to take a very few examples. In a democracy, race will never find its rightful place until we recognize that race as a means will always corrupt our ends.

The writer, a research fellow at the Hoover Institute, is the author of "The Content of Our Character." He contributed this comment to *The New York Times*.

'The Scarlet Letter' Redux, or the Revenge of Mrs. Hawthorne

By Joyce Carol Oates

PRINCETON, New Jersey — When Nathaniel Hawthorne finished reading aloud his "hell-fired story," "The Scarlet Letter," to his adoring wife, Sophia, on Feb. 3, 1850, he ooted to a friend in a letter, "It broke her heart and sent her to bed with a grievous headache, which I look upon as a triumphant success."

The new Disney version of "The Scarlet Letter," a lushly photographed and luridly orchestrated ode to the power of romantic

MEANWHILE

love, might be described as Sophia Hawthorne's belated revenge. Indeed, it is a backlash against every great American prose classic in which happy endings are denied in the service of mythopoeticized "male" issues of courage, conscience, destiny. Why not, for once, a romantic ending, the lovers united?

In the book, Hawthorne's fated lovers are joined together only after death — "One tombstone served for both." How much more cinematically exciting for Hester Prynne, the adulteress, and the Reverend Arthur Dimmesdale, the Puritan minister who is her secret lover, to ride off triumphantly in full view of the scandalized community? As a stylish contemporary touch, Hester can hold the reins.

For here is a briskly Disneyized version of Hawthorne's dark, brooding prose poem of ambiguity, his evocation of a "legend" of a bygone Puritan world whose spiritual heritage, in 1850, had worn thin.

Even in the terms of Hawthorne's era, "The Scarlet Letter" is not a realistic novel; its characters are figures in a kind of pageant, and its drama is that of interior, spiritual states examined through the psychological equivalent of a giant magnifying lens.

Where Hawthorne imagined a tragic ending, death for the neurotic Dimmesdale

after a public confession of his sin, and the remainder of her life as a penitent for Hester Prynne, Hollywood prefers an upbeat ending. As if rewritten by D. H. Lawrence in a self-parodying mood, the tale now contains slow-motion love scenes and giddy horseback rides through the forest.

Hawthorne would have been astounded by Hester's first glimpse of Dimmesdale. She is wandering through a forest (so Disneyized one expects to see Bambi tripping by) on the trail of a peculiar-looking red bird (neither cardinal nor scarlet tanager, like no bird in North America) when she comes across a man swimming nude! It turns out to be, of course, Dimmesdale, the handsome bachelor cleric, shortly to ascend to the pulpit of his church to give a passionate sermon, his shoulder-length tresses still damp from his woodland swim and his soulful eyes seeking out Hester's amid the plain, pesty-faced congregation.

Where Hawthorne created in Dimmesdale a vivid portrait of "a true priest ... with an order of mind that impelled itself powerfully along the track of a creed and wore its passage continually deeper with the lapse of time," the film presents simply a male romantic lead whose very name, Dimmesdale, now makes no sense in terms of his character.

Plot and hero are irretrievably misallied. How could this manly Dimmesdale fail to acknowledge his love for Hester when she is exposed as pregnant, and imprisoned? Hawthorne's Dimmesdale was paralyzed by conscience and cowardice for a period of seven years. But then he was not a Hollywood star. Hester Prynne has been changed, too, into a patrolling, predictable figure whose independence and single-mother feistiness would have been absurd in

Hawthorne's theocratic, thoroughly patriarchal Puritan community.

Hawthorne's sympathetic portrait of Hester after passion has run its course is one of the painful illuminations of the novel: "There seemed to be no longer anything in Hester's face for Love to dwell upon; nothing in Hester's form ... that Passion would ever dream of clasping in its embrace ... Such is frequently the fate ... of the feminine character and person, when the woman has encountered, and lived through, an experience of peculiar severity."

Freed from her bondage, even after her daughter has grown up and emigrated to England (to marry a nobleman's son), Hester stubbornly elects to remain in the very community that has condemned her, a penitent mourning her lost lover.

In the film, no sacrifice is required of Hester. She is a woman who has it all.

The Disneyization of "The Scarlet Letter" represents American filmmaking at its most spectacularly superficial. Or perhaps it is the medium of film that is superficial.

Where the world can only be presented as primarily visual, and where character is expressed in terms of physical attractiveness, the intellectual, moral and spiritual qualities that constitute the human condition can be explored only with difficulty. Or cinematic genius, which is always in short supply.

In a film of such blatant wish-fulfillment as this, every scene conspires to provide the happy ending that, it is hoped, will sell tickets. Every narrative development, every dramatic issue, is contrived to be solved in terms of the final shot.

Is it, perhaps, unfair to object to contrived happy endings in films, or novels, when we yearn for them in our own lives? One might argue that tragedy, the quintessential male art form, is a genre as artificial as comedy or

romance. Tragedy assigns the highest values to noble suffering, to courage in the face of defeat. Tragedy, echoing the ancient rites out of which it arose, necessitates human sacrifices, literal corpses. Virtually all tragic protagonists are men. Though there are powerfully characterized women in Greek drama, among them Antigone, Medea, Clytemnestra and Electra, only Antigone merits the crown of supreme tragic heroine. The trajectory of what we might call the female vision, as distinct from the male, is toward accommodation, not repudiation; life, not elevated death.

The female vision seeks compromise in order that the next generation — and the next — come into being. There is nothing diminished or contemptible in such a vision, our knowing that our mothers would have wished us life at any cost, including, most likely, their own suffering or humiliation.

This is, after all, the life force. Who would wish to argue against it? Yet the wish-fulfillment happy endings of such films as "The Scarlet Letter" make us recoil in disbelief and disdain. What a cynical contrivance, to exploit female yearning in this way, mocking the genuine plight of many millions of women.

The idea that male dominance melts before a woman's physical attractiveness and outspokenness is a melancholy fantasy in 1995 when, unlike the movie's Hester Prynne, so many women are still stalked, beaten or killed by possessive lovers, or left to raise a child on their own. The collective hunger for happy endings is predominantly female, in our time as much as Sophia Hawthorne's, and there is no mystery why.

Joyce Carol Oates, who teaches writing at Princeton University, is the author, most recently, of "Zombie." She contributed this comment to *The New York Times*.

LETTERS TO THE EDITOR

Benefits and Births

Regarding "Will Welfare Cuts Shred Mississippi's Thin Safety Net?" (Oct. 24):

Governor Kirk Fordice of Mississippi is convinced that "mothers on welfare became pregnant precisely so that they could collect the \$24 a month in extra benefits currently offered by the state."

I am not a mother on welfare, but I am a mother of two young children (30 months and 6 months) and am currently wallowing in the largesse of the Italian social system as the employee of an Italian company.

In Italy, a pregnant employee is obliged to leave her job two months before she is due to give birth and to stay away for three months after. During this time, she is paid 80 percent of her salary. Following this five-month mandatory maternity leave, a six-month optional maternity leave is available, paying 30 percent of salary. Afterward, the mother matures her vacation days, which are fully paid and count for another month. At which point, after one year, she returns with her job intact.

These are the rights of working women in Italy. However, women here do not seem to be motivated by such inducements. On average, Ital-

ian couples have 1.2 children, compared with 2.1 in the United States. No matter how alluring \$24 a month may seem to Mr. Fordice, a woman considering the countless night feedings, dirty diapers, loads of laundry, runny noses, etc., has probably made considerations other than the prospect of a fat government check.

DEANNA RICHARDSON, Rome.

Egypt and Islam

I am surprised and dismayed by the judgment expressed in Khalid Duran's article ("Islamists Imagine Collusion," *Opinion*, Oct. 19).

How oo earth could Mr. Duran imagine that Egypt is central to the progress of Islamism when Egypt is publicly and strongly engaged in a battle against those extremists who misinterpret, forge and exploit Islam in order to achieve their political goals and ambitions? This view either confuses Egypt with some other country or confuses Islamism and extremism with the Muslim religion. To pretend that "support to Egypt is tantamount to direct negotiations with Islam's insurgents" is in total contradiction to reality.

If there were only one country that believed and practiced moderation, it would be Egypt. Not only as a matter

of principle, but also as a rejection of violence and terrorism that is contrary to the teaching of Islam, in order to preserve our religion from the heresies of the extremists.

ALY MAHER EL SAYED, Ambassador of Egypt, Paris.

Farrakhan's Leadership

Regarding "The Uplift of the March," (Oct. 19):

It looks like some black Americans have found their Vladimir Zhirinovskiy in Louis Farrakhan. Neither is much of a godsend to followers.

PETER MARTIN, Montcuq, France.



The art of flying has taught us
a lot about the art of roadholding.



SAAB

beyond the
conventional

The first vehicles we built weren't high performance cars. They were high performance aircraft. So we got to know a lot about the way speed and gravity affect the human body, how man and machine interact. That's why a Saab gives you that special feeling of intuitive control. That's why it hugs the road so firmly and performs with such precision. It's not a coincidence. It's part of our history.

INTERNATIONAL

Snub of Arafat Annoys the U.S. N.Y. Mayor Is Criticized for Gaffe at Concert

By David Firestone
New York Times Service

NEW YORK — A day after New York's mayor, Rudolph W. Giuliani, expelled the Palestinian leader Yasser Arafat from a concert for world leaders at Lincoln Center, the Clinton administration sharply criticized the mayor Tuesday for what Washington officials called an embarrassing breach of international diplomacy.

Mr. Giuliani, clearly relishing the controversy, insisted he could never forgive and play host to Mr. Arafat even though the Palestinian leader had been embraced as a peacemaker by the Israeli and U.S. governments.

A spokesman for the U.S. Mission to the United Nations said the administration made it clear to the city that Mr. Arafat, the chairman of the Palestine Liberation Organization, could be invited to local events. President Bill Clinton invited him to a White House reception Sunday.

"We regard the incident as unfortunate in light of the constructive role that Chairman Arafat has played in the Middle East peace process," said James P. Rubin, the spokesman.

A senior administration official in Washington, who asked not to be identified, went even further, saying the incident Monday night was "an embarrassment to everyone associated with diplomacy."

But Mr. Giuliani, explaining his decision Tuesday, called Mr. Arafat a murderer and terrorist, and said he was not impressed by the fact that Mr. Arafat had twice been invited to the White House to sign the Middle East peace accords or that he shared the Nobel Peace Prize.

"I would not invite Yasser Arafat to anything, anywhere, anytime, anyplace," Mr. Giuliani said at a news conference. "I don't forget."

Mr. Giuliani said his antipathy to Mr. Arafat — like his antipathy to the Cuban leader Fidel Castro — went back to his days as a federal prosecutor.

As U.S. attorney, he investigated several terrorist incidents to which the PLO was linked, including the hijacking of the Achille Lauro cruise ship. As far as he was concerned, Mr. Giuliani said, the statute of limitations on those incidents has not run out.

"He has never been held to answer for the murders that he was implicated in," the mayor said. "The UN is one thing, the peace process is another thing. When we're having a party and a celebration, I would rather not have

someone who has been implicated in the murders of Americans there, if I have the discretion not to have him there."

The mayor said Mr. Arafat was not invited to the concert but was given a ticket by a country he did not identify. A PLO official disputed that statement, saying Mr. Arafat was given tickets by the official organizing committee.

"The mayor is not telling the truth," said Muin Shreim, counselor for the Permanent Observer Mission of Palestine to the United Nations. "I personally picked up the tickets from the New York City Host Committee. He is lying. It was an envelope marked 'Palestine.' There were three tickets inside."

Mr. Shreim accused the mayor of pandering to voters, and Nasser Kidwa, the Palestinian observer at the United Nations, characterized the incident as very sad.

"It only indicates that the office of the mayor has been hijacked by some fanatics in this city," he said. "It is also sad that while boasting about New York as the capital of the world, as a great city — and it's true — he has

misbehaved in such sensitive political issues."

The New York Philharmonic concert at Avery Fisher Hall was sponsored by the New York City Host Committee, which was organized by Mr. Giuliani to sponsor events at the anniversary.

Last Friday, an aide to the mayor sent the United Nations a list of countries that should be excluded from events sponsored by the committee. The list included the Palestinian mission and seven countries not recognized by the United States: Cuba, Iraq, Iran, Yugoslavia, Libya, North Korea and Somalia.

The mayor said Tuesday that when he was told that Mr. Arafat had entered the concert hall, he told his chief of staff, Randy Masuro, to ask him to leave. "Randy told him that he wasn't invited, he wasn't welcome, and we would prefer that he leave," Mr. Giuliani said. "He stayed for a while, then he left."

Mayoral aides distributed copies of congratulatory messages that Mr. Giuliani had received from Jewish organizations. Agudath Israel of America wrote, "Bravo!"



The PLO's Yasser Arafat listening to Israel's Yitzhak Rabin at the UN.

U.S. Counts On Jiang-Clinton Talks To Patch Up Ties

By Alison Mitchell
New York Times Service

NEW YORK — Meeting on the sidelines of the UN anniversary celebration, President Bill Clinton and President Jiang Zemin of China made their best effort to repair a relationship that had been seriously strained by disagreements over Taiwan and human rights.

No concrete agreements emerged from the two-hour session at Lincoln Center, and there was no public display of unity comparable with Mr. Clinton's joint appearance at the beginning of the week President Boris N. Yeltsin of Russia.

But the White House expressed confidence that the momentum developed at the intense session with Mr. Jiang on Tuesday would allow the two nations to move forward with further discussions in a range of areas of concern, from arms control to trade relations.

Michael McCurry, the White House press secretary, said that Mr. Clinton described his encounter with Mr. Jiang as a "very good, very positive meeting and the best of three meetings he has held to date" with the Chinese leader.

"He's confident that we have begun a process that will lead to a series of dialogues that will help improve the opportunity for comprehensive engagement with China," Mr. McCurry said.

Chen Jian, spokesman for Mr. Jiang's delegation, said to reporters at a separate briefing that the meeting had been "candid, friendly, positive, and useful."

"It will be useful for the improvement and growth of the bilateral relationship," Mr. Chen said.

Clinton administration officials said the two leaders covered a range of issues, including Taiwan, human rights, China's desire to join the World Trade Organization and nonproliferation of weapons. The officials said that Mr. Clinton emphasized that while the two major powers were bound to have differences, they can manage them

better through honest dialogue. "Neither side would claim that there aren't serious differences remaining," Assistant Secretary of State Winston Lord said after the meeting. "There are serious differences."

But he said the relationship had "resumed momentum." The administration had hoped to capitalize on Russia's agreement Monday to a ban on all nuclear testing in 1996 to bring China on board on the issue. But it received only a promise to pursue the issue further. While China has agreed to pursue a comprehensive test ban in 1996, it is the last of the five major nuclear powers not to sign on to the idea of zero testing.

Mr. Clinton raised the issue of human rights in China and of Tibet, which has been under Chinese control since 1950. But at a briefing after the meeting, Mr. Lord refused to name the specific human rights cases that were raised. That was in marked contrast to Mr. Clinton's meeting with Mr. Jiang in Seattle in 1993, where the public announcement of names helped get dissidents free.

Mr. Clinton deflected questions about human rights issues and Taiwan from reporters who quizzed him and Mr. Jiang at a picture-taking session before their meeting.

"The important thing is that we're going to have this meeting," he said. "These are two great countries that have a real interest in maintaining a constructive dialogue with each other and wherever possible a partnership, and we need to go to work on it."

As expected, the Chinese brought up Taiwan, and Mr. Chen described the issue as "the most major and sensitive issue affecting the relationship."

But American officials said they were gratified to see that it did not dominate the agenda as it did in the aftermath of the United States' decision to allow Taiwan's president, Lee Teng-hui, to make a private visit to the United States last spring.

World Press Gets Taste of Big Apple

By William Glaberson
New York Times Service

NEW YORK — Sure, the Clinton-Jiang meeting was of some interest to the reporters from all over the world who converged on New York to cover the anniversary of the United Nations, as was Yasser Arafat's snub by Mayor Rudolph W. Giuliani and Fidel Castro's visit to Harlem.

But these events were not their focus. Yavuz Yorulmaz, for instance, a journalist from Turkey, was much more keenly interested in the New York meeting between President Suleyman Demirel of Turkey and President Nursultan Nazarbaev of Kazakhstan.

"As you know," he said, "the petroleum and the natural gas is the point."

The 2,500 foreign reporters who have descended on New York this week to cover the UN anniversary do not think America is the center of the universe, as a few of them noted politely. Their idea of what was important these last few days has been quite at odds with the front-page stories in New York City newspapers.

"Basically, our intention is to cover our president, all the rest will be secondary," said Aguerico Arias, a news producer for People's Television Network in the Philippines, who was one of the few Fidel V. Ramos-watchers at the meeting.

The UN meeting has been something of a Rorschach test for the world's news media, with all the journalists sending home their own images of the world — and of New York City.

City officials have worked for months to try to use this gathering to get out a rosy picture of the city as the "capital of the world." They arranged tours to show visiting reporters such things as "the international cultural treasures of New York" and, with peculiarly tight focus, "the revitalization of Times Square."

Many of the foreign journalists said they have never been to New York before, and some countries have sent so many journalists that the city's image handlers calculated that there would be plenty of idle journalists to win over. According to the United Nations, South Korea sent 102 journalists, Mexico 94, and Japan 52.

Some said they were so busy with the diplomatic doings that they would be unable to take advantage of New York's special offerings. Tetsuya Ozeki, a Japanese journalist, said he did not even have time to take a walk. He headed home Sunday.

But others said they would tell readers and viewers about the city. It was not always clear, however, that their reports would please the Conventions & Visitors Bureau.

Odon Nivolala, a journalist from Madagascar, said he had a look around and he was concerned about the city's tiny apartments.

"It's good," he said when asked whether he planned to report positively about the city. "But the difference is you have no space at home."

Tamhazy Oliver Nyika, of the Zimbabwe news agency Zina, said he noted what appeared to be racial separation in New York City. Perhaps, he suggested, this was based on economic differences between the people he saw in midtown Manhattan and those he saw in other neighborhoods. "I have seen that within the city center, there is a preponderance of whites," he said.

UN Says 'No' To Smoking

Agence France-Press

UNITED NATIONS, New York — As world leaders discussed how the United Nations could meet the challenges of the 21st century, the body sprung one immediate reform on them all: a ban on smoking on its premises.

While 185 kings, presidents and prime ministers were celebrating the UN's 50th anniversary, the ban went into effect at its headquarters, one of the last bastions of resistance to New York's stringent anti-smoking laws.

A statement announcing the measure said the agency had the moral responsibility to provide a safe environment to its staff.

On the other hand, Mr. Arias, the news producer from the Philippines, said he planned to send his millions of viewers some good news about New York.

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EUROPE

Chirac and Kohl Affirm Single-Currency Timing

BONN — Chancellor Helmut Kohl and President Jacques Chirac of France reaffirmed Wednesday that their countries would qualify on schedule to join Europe's planned single currency.

The two men, speaking after weeks of speculation about German-French tensions, announced they were in full accord about the planned economic and monetary union (EMU).

"I have not the slightest doubt that the determination of the president and the government and France's strength will ensure that France will achieve the criteria" for EMU, Mr. Kohl told reporters at a news conference after a working dinner between the two leaders.

"We are both in absolute agreement that the criteria must not be called into question," said the chancellor.

Mr. Chirac, who some German officials suspected was not as pro-European as his predecessor, François Mitterrand, agreed.

"We will both jointly be ready to achieve the schedule in the monetary area, which we have set ourselves and agreed on," he said.

Mr. Chirac said France had for too long indulged in a policy of excessive public spending, but said, "I want to add that France will also fulfill the criteria and that there are no differences of opinion between us on this."

The two also stressed their determination to help the reform program of President Boris Yeltsin of Russia and not allow NATO to expand into Eastern Europe without consulting Moscow.

Before Mr. Chirac arrived for the dinner, deputies from both government and opposition parties criticized France's nuclear

arms tests in a parliamentary debate.

Greenpeace hung a protest banner from a nearby Rhine River bridge urging Mr. Chirac to stop the blasts.

Opposition Social Democrats warned of an alienation between the two states, whose cooperation is crucial to further European integration, and slammed the European Commission for not pursuing Paris over its atomic tests.

"There are tensions and we shouldn't cover them up," The Social Democratic foreign affairs spokesman, Karsten Voigt, told German Radio.

Echoing the mild criticism Mr. Kohl has made in the past, Foreign Ministry State Secretary Werner Hoyer told Parliament that Bonn disapproved of all nuclear tests.

But he said it would not heed opposition calls for an EU court case against France, adding: "The government does not want to

replace politics with court proceedings."

The disarmament spokesman of Mr. Hoyer's Free Democratic Party, Mr. Kohl's junior coalition partner, slammed the French nuclear tests as a serious political mistake.

"The condemnation of France because of the nuclear tests is worldwide and unanimous," said the spokesman, Olaf Feldmann.

Mr. Hoyer said Bonn was "very close to the French" on giving the Union a more effective foreign policy capability, including the greater use of majority voting among member governments. He also expressed the clearest interest to date by a government official for naming a president to give visibility and coherence to EU foreign policy, as France has proposed.

"It's not a bad idea," Mr. Hoyer said. (Reuters, IHT)

A 'Tell-All' Book on EU Dies



Ritt Bjerregaard meeting the press.

BRUSSELS — Responding to a backlash over her scathing portraits of Europe's political leaders, the European Union's environment commissioner said Wednesday she was withdrawing her tell-all book about life inside the Union's executive agency.

The retreat by the official, Ritt Bjerregaard, was as astonishing as the book itself, which she conceded was "senseless." The incident left Mrs. Bjerregaard and her commission colleagues deeply embarrassed.

Mrs. Bjerregaard said she had asked her Danish publisher not to publish "The Commissioner's Diary" after her boss, Jacques Santer, urged her to withdraw it at a private meeting Wednesday morning.

"Good friends have felt abused and deceived, and colleagues, with whom I relate well with in work, have felt that I was overstepping some limits," Mrs. Bjerregaard said in a statement. Excerpts of the book were published in the Danish press on Monday.

Paris Slates Tougher Laws On Terrorism

PARIS — After a wave of guerrilla bombings, the French cabinet endorsed plans Wednesday for harsher anti-terrorism laws that would stiffen jail terms and give police powers to raid at night.

In the aftermath of bombings that have killed seven people and wounded about 170, the cabinet approved a draft bill widening the definition of crimes that can be considered terrorist, making them liable to harsher penalties.

The center-right government's overwhelming majority in Parliament virtually guarantees that the proposal will become law.

Since the bombings began in July, France has deployed thousands of extra troops and police in one of the biggest peacetime security crackdowns. The bombings are believed to be the work of Algerian Muslim extremists.

A cabinet statement said French law should consider that possession of arms or helping a foreigner illegally in France could be terrorist crimes in some cases.

The law also would provide for harsher sentences for attacks on the police, raising the maximum term for an attacker who cripples a policeman to 20 or 30 years from the current 15 years.

Dini Takes the Floor to Fight a Rumor

ROME — Prime Minister Lamberto Dini of Italy intervened in a parliamentary no-confidence debate on Wednesday to deny rumors that he was trying to influence the vote to save his government from collapse.

Mr. Dini's surprise statement underscored the tension over Thursday afternoon's vote, which many analysts said he would lose and that would trigger early general elections.

The tension erupted into scuffles on Tuesday night in the lobby of the lower Chamber of Deputies, where Mr. Dini's

conservative predecessor, Silvio Berlusconi, is leading the charge to topple the nine-month-old government.

Addressing the assembly, Mr. Dini denied rumors floated during the debate by supporters of Mr. Berlusconi that President Oscar Luigi Scalfaro was putting pressure on deputies to back the government.

"I am authorized to say that I challenge anyone to come up with names and circumstances," Mr. Dini said.

The prime minister appears to be in serious trouble. His defeat could mean elections as early as December, more than three

years ahead of schedule, a scenario that Mr. Berlusconi is fighting hard to bring about.

"By now it seems certain that they are going to send us home on Thursday. There is an eight-vote margin against us," the minister for Social Affairs, Adriano Ossicini, said in an interview with the newspaper La Stampa.

Mr. Berlusconi's center-right Freedom Alliance and the Marxist party Communist Refoundation have the votes to oust Mr. Dini, but commentators have not ruled out a surprise result if there are last-minute abstentions or changes of heart.

Rules on EU Farm Payments Approved

LUXEMBOURG — European Union farm ministers agreed Wednesday to rules allowing governments to compensate farmers for income lost caused by major currency swings in neighboring countries, EU officials said.

The agreement was reached when Sweden dropped its opposition after the rules were slightly amended to ensure that farmers would not get too much compensation.

"The regulation is adopted," an EU official said.

Italy voted against the rules and Britain abstained. They were concerned that the rules, which will put into effect a political accord reached in June, were too vague and would distort farm trade.

On Tuesday, Britain invoked for the first time a procedural ploy called the *laonnina* compromise, under which countries must-

tering 23 to 25 votes under the EU weighted voting system, can demand extra talks.

Britain, Italy and Sweden, which together hold 24 votes, had said that the aid, part of the EU's annual farm price pact, must be strictly controlled. Under the agreement, governments can compensate farmers for losses caused by major monetary changes between July 1994 and December 1995. The aid must be phased out over three years.

The EU official said the rules were changed so that the European Commission could reduce or end national aid in the second and third years of the plan if exchange rates swung the other way.

France is impatient to press ahead with plans to compensate farmers who lost exports of young bulls to Italy for fattening after the lira depreciated earlier this year.

Farm Minister Philippe Vasseur of France said he was surprised that Britain

had invoked the *laonnina* compromise over such a specific and what he called relatively minor issue.

"I thought it was meant for matters of general importance," he said.

But Farm Minister Douglas Hogg of Britain said Tuesday that national farm aid involved an important point of principle and that specific guidelines were needed. The European Commission said the amended rules were acceptable because the commission would have in any case ensured that farmers were not overcompensated for income loss.

The commission has twice in the past two years taken the EU Council of Farm Ministers to the European Court of Justice after it overruled the commission's rejection of French aid to wine producers.

"The commission is stricter than the council in controlling national aid," a commission spokesman said.

U.K. Is Said to Draft Closed-Door Policy

LONDON — Britain signaled a clampdown Wednesday on "bogus" asylum-seekers, but denied media reports that it had drawn up a "white list" of countries unlikely to produce genuine applicants for asylum.

The British government, however, sought to play down a report in *The Guardian* newspaper that the government was preparing to close the door on asylum-seekers from countries deemed to be "safe."

The measure — reported to be included in a new Immigration and Asylum Bill — was said to have been disclosed in a briefing paper drawn up by the Conservative Party's Central Office for Tory MPs, but one source said the office was "99 percent certain" it had not issued the document. (AFP)

Israeli Cases Denied

MUNICH — A Munich court refused compensation Wednesday to 22 legal claimants of 11 Israeli victims who died in the hostage crisis at the Munich Olympic Games in 1972. The trial will continue for five of the

families seeking damages, a court official said. The claimants for the 11 Israeli athletes killed Sept. 5, 1972 by a terrorist commando team argued that German security services failed in their duty and asked the government for 40 million Deutsche marks (\$28 million) in compensation. (AFP)

Britain Expels Iraqi

LONDON — Britain expelled an Iraqi diplomat Wednesday on suspicion of espionage and guerrilla links.

The Foreign Office said that Khamis Khalaf Al Ajili, the administrative attaché at the Iraqi Interests Section, had been declared persona non grata. He has been ordered to leave by Oct. 31. (Reuters)

Calendar

European Union events scheduled for Thursday: STASBOURG: European Parliament session continues, with a vote on French election results.

LUXEMBOURG: Fisheries ministers meet. Sources: Agence Europe, AFP

NIGERIA

ABACHA'S AGENDA FOR ECONOMIC RECOVERY AND DEMOCRACY

1. The 35th Independence Anniversary Address by the Head of State and Commander-in-Chief of the Armed Forces, General Sani Abacha, is a historic document on statesmanship. The Address is a brilliant example of vision and compassion which are the virtues of good leadership. The Ministry of Petroleum Resources, which I have the privilege of heading, commends General Sani Abacha for his frankness and courage in tackling the serious issues that trouble our Great Nation. As the bulwark and economic fortress of the country, my Ministry would like to highlight aspects of the Address which relate to the oil industry and the overall destiny of the nation. These aspects are the programme of economic recovery, the crusade against corruption, justice in revenue sharing and democracy, the political transition programme and stability as well as the understanding of the international community.

2. COMBATING CORRUPTION AND ENHANCING ECONOMIC RECOVERY

This Ministry supports Government's efforts to install probity and accountability in the nation. Since the inception of the Abacha Administration, the issue of corruption has received priority attention. The institution of probe panels on NINE strategic sectors and the promulgation of decrees on money-laundering and bank failures demonstrate government's firm resolve to sanitize the economic environment for growth and sustainable development.

The petroleum sector will benefit immensely from the bold initiatives of General Abacha in this respect. One positive effect of the ongoing re-organization and restructuring at the Nigerian National Petroleum Corporation (NNPC), already, the measures taken against corrupt and unparliamentary executives have begun to have salutary effect on the oil industry and the international community has responded positively to the initiatives to purify the industry for efficiency and accountability.

In this regard, I would like to put the international community on notice that the Abacha Administration is determined to deal decisively with foreign fraudsters who fraudulently diverted, through European and American banks, over \$5.15 million from Nigerian crude oil sales. My Ministry has instituted legal process not only to recover the stolen money but to EXPOSE the fraudsters and the foreign banks involved. This measure is part of the initiatives being undertaken for combating the nefarious deeds of international syndicates which work to undermine Nigeria's efforts to ensure accountability and probity in the oil industry.

Another manifest example of the Government's commitment to efficient management of the nation's resources is the establishment of the Petroleum Trust Fund. This is the first time in our nation's history that such a policy of prudence is being put in place to provide a steady source of funds to finance strategic sectors. As the fulcrum of the nation's economy, my Ministry is happy to be the custodian of the revenue accruing to the Fund. In less than a year the Fund has earned N30 billion, the biggest asset of investible revenue sourced by Nigeria without resorting to external borrowing. I am delighted to note that the Board of the Fund has decided to disburse the money to reactivate and regenerate priority sectors such as industries, roads, health, education, public utilities, etc. The Fund is therefore an extension of the capacity of the petroleum industry to fuel the nation's economic recovery, political stability and the democratic process. Also commendable is the Head of State's effort to diversify the revenue base of the economy through the revival of agriculture and exploitation of solid minerals. This diversification drive will enjoy the support of my Ministry through the various measures being taken to protect oil revenue from waste, corruption and inefficiency. To enhance productivity and social peace, the Head of State graciously lifted the ban on employment in the civil service imposed by the previous administration. This is another confirmation of the Administration's concern for the welfare of the masses who have been victims of harsh austerity measures in the past ten years or so.

3. JUSTICE AND REVENUE SHARING

CHIEF The decision of Government to operate the formula of 15 per cent revenue sharing based on derivation is another brave act of statesmanship. The approval is a historic development for the long-suffering people of oil-producing communities. When considered along with other policies such as the Oil Mineral Producing Areas Development Commission (OMPADEC) and the Petroleum Trust Fund, the 15 per cent revenue sharing principle is a powerful instrument for promoting fairness and justice in the distribution of national resources. The move will not only enhance unity and confidence in the federation; it will encourage oil-producing communities to become more committed and vigilant in protecting vital infrastructure and assets of the oil industry.

4. DEVELOPMENT PROGRAMME AND STABILITY

It is true that economic development cannot succeed without political stability. From the outset, the Abacha Administration left no one in doubt that the stability and unity of our great nation are the top priorities of government. The work of the National Constitution Conference and the draft Constitution showed the determination of Nigeria to lay a solid foundation for good governance and democracy. The programme of transition outlined by the Head of State is an honest and practical one which deserves the support of the international community.

Cooperation with government is essential for a hitch-free implementation of the programme. I would like to call on all genuine Nigerians to rise up to the challenge of nation-building unfolded in the transition agenda.

Decision to save the lives of the coup convicts shows that General Sani Abacha is a magnanimous man who is determined to foster national reconciliation and harmony. The Head of State has demonstrated that he is a man of peace by going ahead expeditiously to resolve matters in a manner that brought happiness to the families and friends of the affected persons and to the nation in general.

5. PORT OF THE INTERNATIONAL COMMUNITY

Address, the Head of State reaffirmed Nigeria's commitment to the goal of building peace in the international system. He also expressed the hope that Nigeria's traditional friends and partners in development will show appreciation for our nation's peculiar instances by responding positively to steps Nigeria is taking to improve the economy and build peace.

The oil sector has been the most dynamic instrument in the conduct of Nigeria's external relations. I wish to assure the international community of Nigeria's resolve to manage the oil industry efficiently in order to ensure security of investments and to sustain the confidence of international partners.

France... the International Community to recognize Nigeria's positive gesture in this regard. Our oil has provided a steady source of energy for Gabon... economic prosperity of many nations. Our troops and resources have helped to restore peace to unbled regions of the world. We Greece... at the rest of the world to contribute to our peace by changing its attitude of hostility.

Ivory Coast... I urge the Government of the United States, as Nigeria's biggest and most reliable customer in the oil industry, to review her policy of sanctions on Nigeria. By relaxing these measures, the US will facilitate the quick return of peace in Nigeria. I equally call on the Jordan... ber nations of the European Union and other friends of Nigeria to reconsider their policies by giving positive support to the transition programme set out by General Abacha. It is by so doing that they can assist Nigeria to peacefully overcome her political difficulties and steadily build an enduring democracy that will benefit Africa and humanity at large.

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Chief Dan I. Bate
Minister of Petroleum Resources
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A Secret Cold War: Did CIA Keep Files From FBI?

By James Risen
and Ronald J. Ostrow
Los Angeles Times

WASHINGTON — In espionage circles, Ed Pechous was nicknamed "The Poison Dwarf." It was, some in the CIA say, a moniker that FBI officials had derisively attached to the diminutive spy. The name stuck because it fit so well — William H. Webster, a former CIA director, remembers Mr. Pechous best as a very small man who played tennis with a very large racket.

But if Mr. Pechous seemed like a character torn from the pages of a John Le Carré spy novel, there was nothing fictional about his enormous influence within the shadowy intelligence world during the twilight of the Cold War. As Bonn station chief of the Central Intelligence Agency in 1989, Mr. Pechous was in charge of all American spy operations in Germany and held sway over a secret espionage empire just as the Berlin Wall was coming down.

Yet critics say his arbitrary use of that power ultimately helped lead to a secret bureaucratic

war in Washington that continues to poison relations between the CIA and the FBI. And his actions — and those of other senior CIA officials — may have severely hampered U.S. ability to take advantage of one of the greatest intelligence windfalls the West has yet obtained from the death rattle of communism.

U.S. intelligence sources close to the controversy say that Mr. Pechous and other senior CIA officials refused to grant the FBI access to reams of secret documents that the CIA obtained from the East German intelligence service after the fall of the Berlin Wall and the reunification of Germany. Sources say the CIA repeatedly rebuffed efforts of the FBI's counterintelligence experts to see the files from Stasi, the enormous and fearsome East German spy service that went out of business with the death of its country.

FBI officials believe that the CIA's refusal to turn over the information blocked the bureau from tracking down leads in the files about terrorists who had been backed by East Germany. They also contend it prevented the FBI's counterintelligence service from cross-checking the files to try to uncover potential moles

who might have penetrated the U.S. government.

Mr. Pechous, who recently retired from the CIA, would not comment for this article.

The sources say the CIA's refusal to turn over the files led to years of friction between the spy agency and the bureau, possibly hurting relations between the CIA and the FBI nearly as badly as did the CIA's long refusal to share information with the FBI about the Aldrich H. Ames spy scandal.

Robert M. (Bear) Bryant, assistant director in charge of the FBI's National Security Division and the bureau's chief spy hunter, repeatedly clashed with Mr. Pechous and other CIA officials over their refusal to grant access to the files, sources say.

One FBI source said Mr. Bryant was so unhappy with Mr. Pechous's actions on this and other equally sensitive counterintelligence matters that he wanted to seek prosecution of Mr. Pechous. But the source could not detail how Mr. Bryant hoped to prosecute Mr. Pechous. Mr. Bryant refused to comment for this article.

"I think Bear Bryant was infuriated over

this," said Mr. Webster, who has served as director of both the FBI and CIA.

Several sources suggested that the CIA refused to grant the FBI access for a simple reason: The files included humiliating revelations about CIA espionage operations. They showed that virtually every CIA operation in East Germany had been penetrated and "double-blind" — turned back against the CIA — by the Stasi or other East-bloc intelligence services.

Yet U.S. intelligence officials offered another, more complicated rationale for the CIA's refusal to share the files with the FBI: The CIA did not obtain the files through official German government channels and was concerned about protecting the sources who had provided the files to the agency. Even so, they say, that was not reason enough to deny access to the FBI.

Today, after a bloody turf battle, the FBI has finally been granted access.

Yet sources say some officials at the FBI remain suspicious that the CIA has still not shown them everything.

Senior Justice Department officials stress that John M. Deutch, the new CIA director has worked hard to improve the FBI's access.

Jet Sales to Iran Barred by U.S.

Pledge Cements an Order Of \$6 Billion With Saudis

By Ralph Vartabedian
and Robin Wright
Los Angeles Times

WASHINGTON — As part of a long-delayed \$6 billion Saudi Arabian order for U.S. jetliners that is due to be signed this week, the United States has secretly pledged not to sell any civilian aircraft to Iran, U.S. officials have disclosed.

The Saudi defense minister, Prince Sultan bin Abdul Aziz, is expected to sign an agreement for about 61 jets, including 29 MD-90 passenger jets and four MD-11 cargo planes. Boeing will produce the other 28 planes. That part of the order is worth about \$4 billion.

Saudi officials sought the secret pledge out of concern that any future U.S. sales to Iran might in turn pave the way for a diplomatic opening as well, a senior U.S. official said.

"Part of the deal from the beginning has been that if Saudi Arabia buys these planes, then the United States feels no need to compete for the Iran market," the official said. "The Saudis didn't want to see U.S. commercial relations with Iran improving because of their concern that it might lead elsewhere."

Since Iran's 1979 revolution, Sunni-dominated Saudi Arabia has looked at Shiite-dominated Iran as its primary long-term security and economic threat.

Iran has made initial steps to sound out the United States on a jet deal. U.S. policy on Iran has become tougher, with new sanctions imposed last spring after a

deal with Conoco fell through at a cost of thousands of jobs and hundreds of millions in income to U.S. companies, Clinton administration officials have conceded.

Tehran is looking to upgrade its largely U.S. civilian fleet, but the United States has put Iran on an export control list that requires U.S. companies to obtain a license for any transactions. As a result, Iran has turned to European aircraft makers.

A McDonnell Douglas spokesman said he could not confirm that Saudi Arabia was finally going to sign the agreement, but the aircraft maker was aware of the Saudi minister's trip and was hopeful the deal would be completed this week.

The spokesman said he had not heard about the secret pledge. A Boeing spokesman also said he was not aware of the pledge either.

Aerospace experts said the pledge might be largely symbolic because the United States was unlikely to approve any big commercial deals with Iran. But they added that the size of the Saudi order had played a major role in the agreement.

"For all the work that the U.S. had to go through to get this deal, they are not going to do anything to jeopardize it," said C. Donald Scates, an aerospace expert for A.T. Kearney, a management consulting firm. "The commitment the Saudis are making probably far exceeds anything that Iran would make."

SPAIN: Budget Jolt

Continued from Page 1

to 4.4 percent. Mr. González said deficit reduction targets would continue to be met. And he said that despite the defeat he still thought he had enough support in parliament to pass pending legislation.

The budget defeat was the third political shock in recent days for Mr. González's socialist government. The senate has voted to set up a committee to investigate accusations that the government ran the death squads that ranged over southern France in the 1970s killing suspected terrorists — several of whom subsequently were found to have had nothing to do with the Basque separatist movement. And a supreme court judge has called for the parliamentary immunity of the former interior minister, José Barrionuevo, to be lifted so that he can be questioned about the murders.

But Mr. González steadfastly denies that he took part in the planning or operation of the dirty war. Taking a statesman's stance above the domestic political fray, he has involved himself intensely in foreign affairs recently. He flew back from the UN 50th anniversary celebration in New York, then briefly for some German diplomats — drove to parliament and then left immediately on an official visit to Tunisia.

Despite the prime minister's political setbacks, many socialists see him as the party's best hope of winning next year's elections. He remains the country's most popular politician in opinion polls, and is an easy match for the colorful Mr. Aznar in parliamentary debates.

The minister of the economy, Pedro Solbes, said some time ago that he did not see how the government could remain in office if the budget was thrown out, but Mr. González said there was no reason for him to step down.

He said "the fact that some political groups get together to reject a budget without agreeing to an alternative proposal was no reason for the government to be dissolved." "Quite the contrary," he added.

In New York, Mr. González pointed out that he had already brought the elections forward by a year, and wondered how he could advance them any further without having Spaniards going to the polls on Christmas Day.

Although opinion polls point to the contrary, Mr. González predicted, "we will win the election."

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A Russian reading at her cabbage cart in Riazan. Economic woes have led old people to look for extra income.

EUROPEAN TOPICS

Some Lawyers in Germany Agitate for the Cyber Trial

It began like any other trial in a German courtroom. The judge and defense lawyer were in their usual positions. But to the judge's left, in the place reserved for the complainant's lawyer, was a television set. Heinz Spilertorp, who was pleading his client's case for damages following a traffic accident, was only virtually present.

This was just a test. But Mr. Spilertorp and many of his comrades hope the technique will gain official acceptance in civil trials and in labor tribunals. The Stuttgart Justice Ministry is planning its own test, the weekly Der Spiegel reports.

Mr. Spilertorp says cyber trials could save lawyers time, and clients and insurers millions of Deutsche marks, by vastly reducing travel costs. Justice would be more expeditious as well.

The new technique is unlikely to gain approval in criminal trials, however: Ger-

man law requires the judge, defendant and lawyers for both sides to be present, and not just electronically.

Dieter Mannik of the German Lawyers Association probably speaks for many of his colleagues: "I want to see, hear and be able to test a witness — and for that, I need a three-dimensional person."

Nor is it clear, for now, how a virtual lawyer could respond to a judge's summons to "Approach the bench."

Around Europe

Robin Hood would have a hard time accommodating his band of socially conscious robbers in today's Sherwood Forest. Logging, farming, coal mining and urban sprawl have eaten into the once majestic broad-leaf forest, reducing it to a single stand of ancient woodland, barely enough for a decent chase.

At its heart is a visitors center and the massive 1,000-year-old Major Oak, where Robin and his Merry Men reputedly took shelter. But the entire forest now covers less than three-quarters of a square mile, not even a hundredth what it once was.

Now, a group called the Sherwood Initiative is working to restore the forest, using government funds and private donations to replant oaks, silver birches and

yews. Even the evil Sheriff of Nottingham surely would approve.

When the 10-franc piece was introduced in France in 1988, its bimetallic construction was said to make it impossible to counterfeit. But fake 10-franc pieces have gradually become more common, particularly along the Riviera. They are a bit redder than they should be and the fit between the silver-colored core and the gold-colored collar is slightly rough. But about 1 percent of all 10-franc pieces now in circulation are bogus. That means 8 million pieces, worth about \$16 million. The French themselves like to say it: "Impossible n'est pas Français."

The strength of family bonds is tied to youths' drinking patterns, according to a survey of 6,000 11- to 16-year-olds in Britain, France and Spain. The closer and more structured the family and the better the lines of communication, researchers found, the less likely were young people to drink. Spanish parents were three times more likely to forbid their children to drink than were the British — the French fell right in the middle — and drinking patterns closely reflected this.

International Herald Tribune

BANKS: Daiwa Scandal Has Raised Borrowing Costs Across Asia

Continued from Page 1

large Japanese banks a 66 basis-point premium.

In Tokyo, Finance Minister Masuyoshi Takemura said Wednesday that Japanese banks must accelerate their write-offs of problem loans if they want to reduce the extra charge they are paying to borrow foreign currency.

In the meantime, Japanese

bankers are having a tough time in the bond market.

"It was very hard for anyone else to compete with the Japanese in the quality end of the market as long as they could get cheap funding," said a bond trader at an American securities firm in Hong Kong.

But now, he said, because Japanese companies are forced to pay premium rates when they borrow, they can no longer provide low-cost financing to other

Asian borrowers. He predicted more selling of Asian companies' debt in the coming days.

Traders said that prices of some Korean bonds had fallen so much recently that their yields had risen to 40 basis points above those of comparable U.S. Treasury bonds, from a spread of just 10 to 20 basis points above Treasuries.

The Japanese banks selling out now may still be looking at a profit if they bought bonds at

their initial offering price, analysts said. But for many, the increased cost of capital may have turned small but profitable spreads into losing positions.

"We could see Korean banks coming to the market having to pay a lot more without the Japanese there to support their issues," the trader with the U.S. securities firm said, pointing to possibility that Japan's financial malaise may affect other banking sectors in the region.

TROOPS: U.S. Concession

Continued from Page 1

on the "status of forces agreement," a document that stipulates the rights and obligations of the 60,000 American forces in Japan.

The document now states that in most cases American troops suspected of crimes will be handed over to Japanese authorities upon indictment.

The agreement adds that the United States "will give sympathetic consideration" if Japan requests custody of servicemen who are suspected of murder or rape but have not yet been indicted.

The clause is similar to one that covers American troops in Germany. There, however, the clause is almost never used, and American servicemen are normally handed over to the German authorities only after conviction of a crime.

Although the governments of both Japan and the United States want to maintain the existing bases in Japan, public opinion in Japan seems much more ambivalent.

In a recent poll by the Nihon Keizai Shimbun, an economic newspaper, almost as many Japanese opposed the United States-Japan security treaty as favored it.

The poll showed that 40 percent thought the treaty should be abolished and 44 percent supported it. In a similar poll in August, before the rape in Okinawa, 60 percent supported the treaty while 29 percent opposed it.

Japan was shaken when a demonstration on Saturday against the bases attracted more than 50,000 people in Okinawa. Some politicians in Tokyo have begun to call for a reduction in the American military presence in Okinawa.

Defense Secretary William J. Perry is scheduled to arrive in Tokyo early next week for talks with Japanese officials on how to ease tensions and reaffirm the security relationship.

The United States has gradually given up its claims to jurisdiction over the years. In 1957, for example, there was an uproar when an American soldier shot and killed a Japanese woman.

There was a debate in the United States about whether an American soldier could be tried in a Japanese court, but eventually the United States handed the suspect over and he was convicted. The soldier was never sent to prison, however, but was released and returned to the United States.

Now, however, American soldiers are routinely convicted in Japanese courts and serve their sentences in Japanese prisons.

In theory, an American soldier could be sentenced to death and executed for a crime committed in Japan, but this has not happened.



The skull of the body that had been sacrificed to the gods.

FROZEN: 'Ice Maiden' Found

Continued from Page 1

about life among the Inca, whose empire spanned most of the Andes and the western coast of South America at the time of the Spanish conquest in the early 16th century.

Preserved organs, tissues, and fluids in the bodies could yield unfragmented DNA for genetic studies, as well as insights into Inca health and nutrition. The artifacts should provide valuable information about the still somewhat mysterious Inca religion.

On a more unsentimental level, the discovery evoked the past not in stone or bone but in an eerie bodily form. In 1991, a man from the early Copper Age 5,000 years ago in Europe seemed to step into the present with the discovery in the Alps of his frozen corpse on the Austro-Italian border.

If the Alps could have its

Ice Maiden, as the find is popularly called, then the Andes now has its Ice Maiden.

The new discoveries were made in recent weeks and announced Tuesday by Johan Reinhard, an American archaeologist and mountaineer. He described the findings in a telephone interview from Arequipa, Peru, and at a news conference there at the Catholic University of Santa Maria, where the bodies are stored in a freezer.

"It is certainly one of the most important discoveries in Peru since the Lords of Sipan," said Sonia Guillén, a Peruvian bioanthropologist who specializes in mummy studies. She was referring to the excavation in 1987 of a royal tomb at Sipan, in northern Peru, that contained a wealth of gold from a little-known pre-Inca civilization called the Moche.

Ms. Guillén, who is associated with Malique, a biological

research institute in Ilo, Peru, is to take a leading role in the conservation and study of the mummies.

Konrad Spindler, an archaeologist at the University of Innsbruck in Austria and director of research on the Alpine Ice Maiden, has arrived at Arequipa to help plan research on the bodies. The analysis will be financed in part by the National Geographic Society, which issued an announcement of the discovery in Washington.

"These bodies apparently are partly frozen but not freeze-dried — a first in the Andes," said George Stuart, chairman of the National Geographic Society's research and exploration, explaining the unusual nature of the bodies' preservation and their potential for study.

Craig Morris, a curator of South American archaeology at the American Museum of Natural History in New York, said the most significant part of the find might turn out to be the artifacts associated with the ritual sacrifices.

The Inca, he said, worshipped the landscape and particularly the high mountains, which they believed must be appeased with human sacrifices. Mountains to them were the source of water and weather and terror in the form of avalanches and blizzards.

What is learned about human sacrifices by the Inca could be compared to and contrasted with what is known about those of other early cultures.

Mr. Reinhard said that sacrificial victims were often prepubescent boys or young women, probably virgins, whose innocence would please the Inca deities. After considerable indoctrination, the victims presumably climbed the mountain and voluntarily submitted to their death at the hands of priests.

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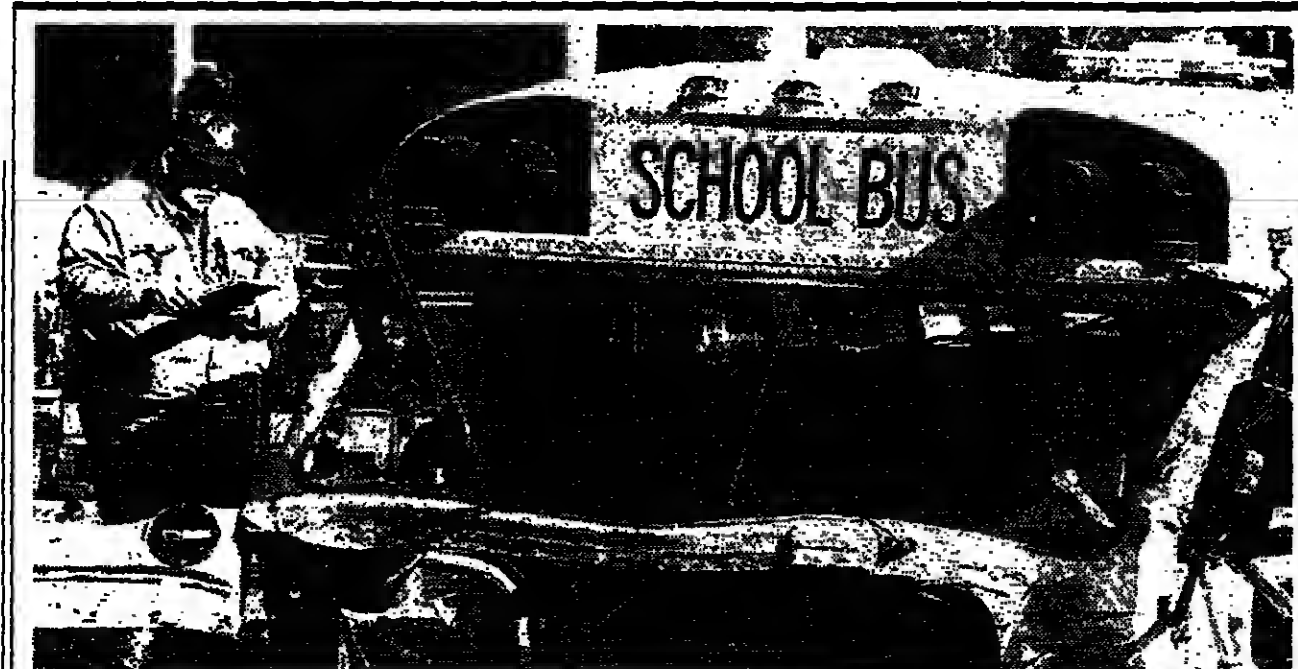
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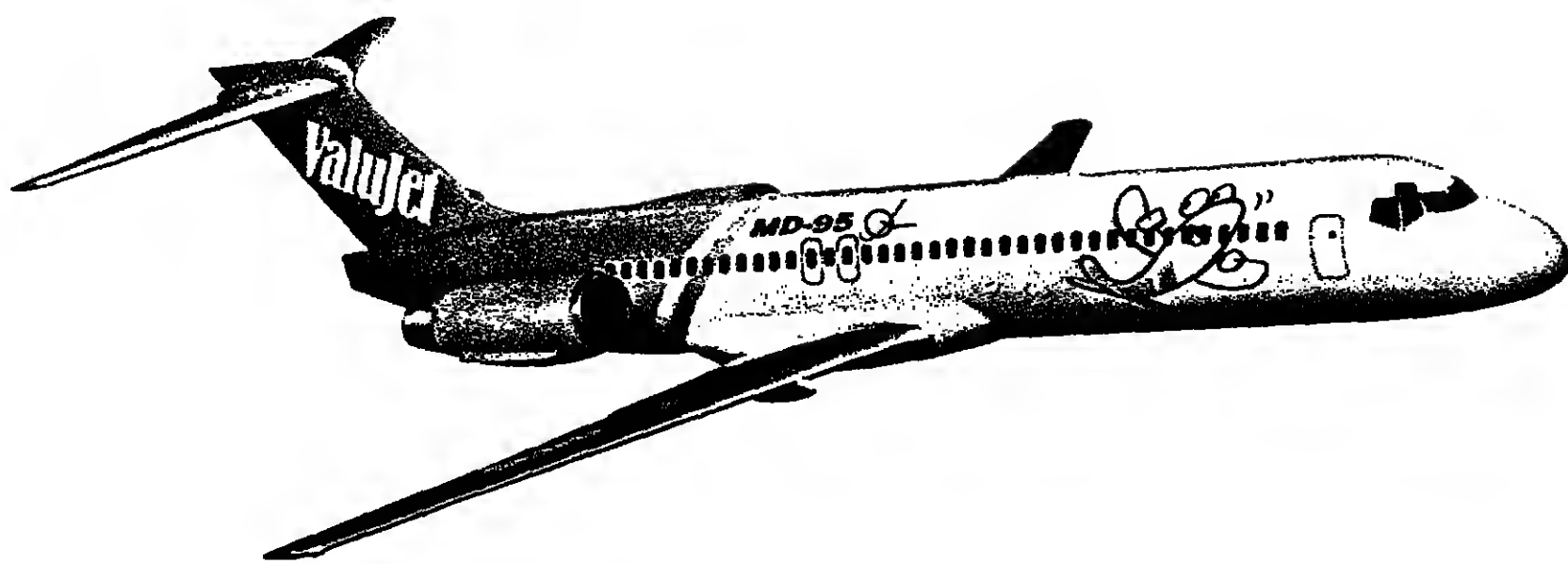
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CRASH — Five people were killed when a train struck a school bus on Wednesday in Fox River Grove, Illinois.

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HEALTH/SCIENCE

Listening to the Sun

By Malcolm W. Browne
New York Times Service

NEW YORK — The Sun's titanic roar is inaudible to human ears, but a global network of listening devices has begun to eavesdrop on the star's noisy digestive system, and scientists expect the sounds to yield solutions to many long-standing solar mysteries.

The newly completed \$20 million Global Oscillation Network Group, known by its acronym GONG, consists of six solar observatories, spaced around Earth so that the Sun will nearly always be within view of at least one of them.

The system, financed by the National Science Foundation, took a decade to build and began operation on Oct. 5.

Solar physicists expect that by listening to the Sun continuously, freed from the nighttime interruptions imposed on individual observing sites, the synchronized global network will reveal many details of the Sun's complicated dynamics as it consumes hydrogen fuel.

"Despite the exquisite images we have of the Sun's surface, we know almost nothing about its interior," said Dr. John Leibacher of the National Solar Observatory in Tucson, Arizona, chief scientist of the GONG project. "Now we can use GONG to peer into the solar interior from Earth. Then we can use what we learn about the Sun as a Rosetta stone to understand other stars in the rest of the universe. We'll also learn

more about how the Sun affects our own planet."

Dr. John Harvey, of the National Solar Observatory, who designed the instruments that make up the GONG network, believes there is now a chance of answering such fundamental questions as these: How, exactly, does the Sun derive power from hydrogen fusion? Why are far fewer neutrinos emitted by the Sun than nuclear physicists had predicted? Why does the Sun have spots? How much longer will the Sun sustain life on Earth? And finally, what is the explanation for maddening observations suggesting that certain stars are older than the entire universe?

"Until recently," Dr. Harvey writes in the current issue of *Physics Today*, "it seemed impossible to resolve these questions by studying the 99.95 percent of the solar system's mass that is contained within the Sun." But the deeply penetrating sound waves that permeate the Sun, he said, can reveal far more of the Sun's interior details than ever was possible with light or other forms of radiation.

THE GONG network will be the main ground-based system for observing solar oscillations during the next three years, but several other projects will complement its research program. Solar oscillations are being measured by teams in England, France and Taiwan. Next month, the National Aeronautics and Space

Administration plans to launch an Atlas rocket carrying a European Space Agency spacecraft called the Solar and Heliospheric Observatory, or SOHO. The craft will station itself at a point in space where the gravitational fields of Earth and the Sun cancel each other, and for two years the spacecraft will coast around that point while its battery of instruments measures the complex ringing of the Sun.

Dr. Harvey says these new projects herald "the threshold of a golden age for increased understanding of how stars work."

A sound wave of one frequency behaves differently from sounds of other frequencies, and the speeds and trajectories of all sound waves are strongly influenced by the densities and temperatures of substances through which they pass.

In general, the speed of a sound wave increases as the density of a substance increases, or as its temperature rises, or both. Thus, a sound wave moving inward toward the hot, dense core of the Sun moves faster and faster, and this effect bends it sharply as it reaches the bottom of its path and heads back up toward the surface.

Most of the notes generated by the Sun are far below the range of human hearing. Most have a pitch (or frequency) lower than one vibration every five minutes; by comparison, the lowest note a human ear can discern is about 20 vibrations per second.

No sound can travel through the vacuum of space from the Sun to Earth, but the new generation of instruments can discern solar sound by looking at its visible effects on the surface of the Sun. The GONG experiment will seek to detect differences in the Sun's internal rotation speeds by looking for "multipliers," or split absorption lines.

Changes in the magnetic field seem to have something to do with sunspots, which proliferate and die out in a cycle about 11 years long. The Sun is suspected of harboring many other cycles, including long-term changes in brightness, which may cause major changes in Earth's climate. Such changes may have contributed to some of Earth's mass extinctions, and might one day have terrible consequences for mankind.

Looking at Sound to Find Out What Is Going On Inside Sun

The seething gases that churn the surface of the Sun produce noise, much of it too low to be heard by human ears and in any case not transmissible through the vacuum of space. But the noise can be seen, even if not heard. It produces millions of different oscillation patterns, called modes, which dimple the surface of the Sun, like the head of a drum, at points where the oscillations move gases up or down. These dimples can be measured by sophisticated instruments on the Earth's surface.

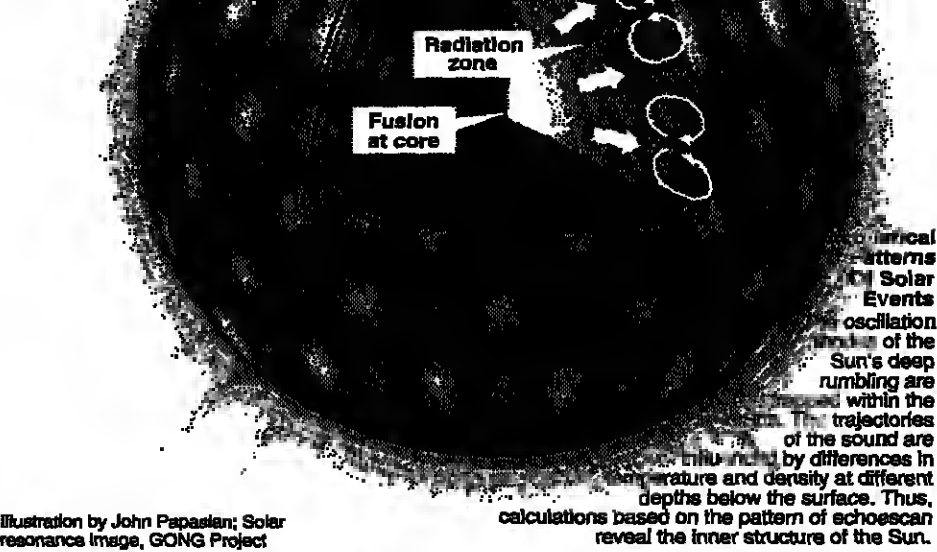


Illustration by John Papadopoulos. Solar resonance image, GONG Project.

Source: GONG Project, National Solar Observatory

How Antibodies Latch On to Invaders

By Sandra Blakeslee
New York Times Service

NEW YORK — Everyone is familiar with the pain and discomfort of swollen glands. They come and go with bouts of influenza and other common ailments, forming palpable knots in the throat, armpits and groin.

But the details of what is happening inside those lumps — the exact machinery used to rid the body of flu viruses and other infectious agents — have been a central mystery in the study of immunology. Somehow these swollen glands manage to pump out millions of highly specific molecules, called antibodies, that latch onto an invading agent with lock and key accuracy.

How do they do it? Two mathematicians think they have the answer. Novel sets of equations suggest that the best way to make really good antibodies is to have periods of rapid mutation followed by periods of rest.

The process is similar to so-called punctuated equilibrium in which species undergo rapid evolutionary change followed by long periods of no change, said Dr. Alan Perelson, a theoretical immunologist at the Los Alamos National Laboratory in New Mexico. The findings were published in *The Proceedings of the National Academy of Sciences*.

The new mathematical model "tells us how the immune system can make antibodies that are 100 times more effective in just two weeks," said Dr. Garrett Kelsoe, an immunologist at the University of Maryland in Baltimore.

The immune system has a huge cast of characters. Dr. Kelsoe said. Different cells send signals, flag down messengers, kill other cells or eat the remains of conquered pathogens. One of the major players is the antibody, a molecule that helps neutralize infectious agents by recognizing their shapes and locking on to them. It is a never-ending war, Dr. Kelsoe said. Viruses and other invaders, also called antigens, are always mutating and changing shape. To defeat them, the human immune system must make a huge repertoire of antibodies that can recognize every new antigen shape devised by nature.

The body has developed two clever tricks for the job, Dr. Kelsoe said. The first, worked out some years ago, involves a shuffling mechanism. Hundreds of gene fragments are recombined to produce millions of antibody shapes, and they vary in length, width, electric charge and other properties. Each antibody is formed on the surface of B cells, so called because they are born in the bone marrow. At any given time, the body has 10 million antibody shapes carried on B cells, ready to do battle with antigens.

But the second trick — to select one antibody out of many and transform it so that it locks onto the antigen with unparalleled efficiency — is less well understood. B cells normally circulate in the bloodstream and collect in organs like the spleen, tonsils, lymph glands, Dr. Kelsoe said. Posted as sentinels, most are not called into battle and soon die, only to be replaced by new ones. But when an antigen enters the body, it is carried to the organs rich with B cells and held there, much like an enemy hostage. Then the battle begins.

A FEW antibodies out of the 10 million available — maybe two or three or even 10 — will recognize at this point, "they generally do a lousy job of binding to the antigen," he said. The fit is loose, and without further action they would certainly lose the war. Fortunately, other cells in the immune system recognize these early fighters and transform them into B cells, which then make millions of copies of improved antibodies, Dr. Perelson said. But first the B cells undergo mutations to improve the shape of the antibodies on their surface. To do so, the few chosen B cells cluster to form so-called germinal centers on the spleen and lymph nodes. These are the swollen glands of an illness, special places where B cells meet antigens and rally with other immune cells. Each germinal center has two parts, a dark zone and a light zone. The few B cells that bind to an antigen collect in the dark zone, Dr. Kelsoe said. "Then something remarkable happens," he said. "They begin to mutate like crazy, at a rate that is 10 million times greater than the normal mutation rate for cells."

SOME scientists note that a change of only a few degrees — 6 or 8 degrees Fahrenheit — in average global temperature can swing a moderate climate into an ice age, or warm it up considerably.

The International Panel on Climate Change's new report projects a total global rise in sea level of 6 inches to 3 feet over the next century.

"I think we're in the same ballpark using different methodologies," said a co-author of the EPA report, Vijay K. Narayanan of Technical Resources International.

Sooner or later, many scientists agree, coastal storms will be acting on a higher base sea level, driving storm tides further inland and causing damage in areas previously unaffected. Low-lying areas such as southern Louisiana, southern Florida, the Nile Delta, the deltas of Bangladesh and the Netherlands will be threatened with gradual and increasing degrees of submersion and further exposure to storms.

They said this could help explain the difficulty in halting the disease. Sonya Heath and colleagues at the Division of Immunobiology at Virginia Commonwealth University in Richmond, Virginia, examined follicular dendritic cells (FDCs) in the lymph nodes where large amounts of HIV, the human immunodeficiency virus that is responsible for AIDS, congregate.

They showed that the FDC-bound virus is infectious even when surrounded by antibodies that would normally neutralize it.

"The finding that FDC can convert neutralized HIV immune complexes into an infectious form may have important implications for the design of therapeutic and vaccine strategies," Dr. Heath wrote in the science journal *Nature*.

Gene Test Poses Dilemma for Alzheimer's Experts

By Gina Kolata
New York Times Service

NEW YORK — Two months ago, Kathleen Clayton went to the University of Pennsylvania Medical Center to find out what to do about her high cholesterol levels.

She found out something that alarmed her even more, and stumbled into an ethical and

practical dilemma that is troubling doctors and researchers that 50 of them gathered in Chicago last weekend to discuss the problem.

In Ms. Clayton's case, Dr. Daniel Rader, director of the lipid clinic at the medical center, had ordered a blood test that would reveal whether Ms. Clayton, 51, had inherited a particular susceptibility to heart attacks.

The test revealed that she had

two copies of a gene, called apo E4, which increases the risk of heart disease by 30 percent to 50 percent. While Dr. Rader was telling her this, she mentioned that she was having another problem — her memory was failing. She had forgotten recent events, and more frightening, she was working on her checkbook one day and suddenly was unable to add or subtract.

Dr. Rader was shaken. Apo

E4 is not just a heart disease risk factor. It also predicts risk of Alzheimer's disease, and people with two copies of the gene have an extraordinarily high — perhaps as much as 90 percent — chance of developing the disease by the age of 80. But this information not sought by doctors who are treating or researching heart disease. And it is information that nobody seems to know what to do with.

Few doctors want to tell a patient that he or she has a 9 out of 10 chance of getting Alzheimer's disease but that there is nothing science can do about it. Dr. Rader's patient was already showing symptoms of Alzheimer's, so his decision was easier. "It was spooky," he said. "I had to tell her."

Far more difficult situations are going to arise frequently in the near future, which is why the Alzheimer's Association and the National Institute on Aging sponsored the meeting in Chicago to decide what to do about the test. The meeting concluded that the link between apo E4 and Alzheimer's disease "is strong," but the researchers did not recommend using the test to predict risk of the disease at this time. They called for more research to determine the exact risks predicted by different apo E genes.

Dr. Norman Relkin, the organizer of the meeting, a neu-

rologist at New York Hospital-Cornell Medical Center, said doctors who had used the test for other reasons were not obliged to inform their patients of its connection to risk of Alzheimer's disease.

Looming over the discussion is the lack of any way to prevent or effectively treat this degenerative brain disorder.

Tens of thousands of people who participated in studies of heart disease have had the Apo E test. Most were never told the results. Now, Alzheimer's specialists would like to study these people but how can they approach them? And, more generally, what should researchers do with the apo E test? Should relatives of Alzheimer's patients or the public at large be offered it?

"We owe realize that what appears to be on the surface a very straightforward blood test has very far-reaching implications," said Dr. Relkin.

BOOKS

THE LOST WORLD

By Michael Crichton. 393 pages. \$25.95. Alfred A. Knopf. Reviewed by Michiko Kakutani

HERE'S how to write a Michael Crichton best-seller in five easy steps:

1. Pick a hot-button subject like genetic engineering ("Jurassic Park"), sexual harassment ("Disclosure") or Japan's threat to America ("Rising Sun") and use it to lend your novel a glossy veneer of topicality.
2. Cast the novel with some really detestable villains (like the lying, scheming, man-eating Meredith Johnson in "Disclosure") and some really nice, appealing heroes (like Meredith's poor, well-meaning victim, Tom Sanders) so that inattentive readers will automatically know who to root for.
3. End each chapter on a scary, cliff-hanging note to make sure that readers will keep reading, regardless of the characters' vapidly.
4. Include lots of frantic

chase scenes or race-against-the-clock scenes that will translate graphically to the screen.

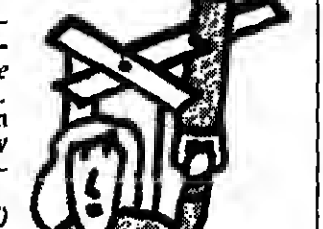
5. Put lots of technical, pseudo-specialist talk (about computers, medicine, biology or chaos theory) into your characters' mouths to give readers the illusion that they're learning something as they quickly flip the pages.

Certainly Crichton's latest book, "The Lost World," fulfills all these criteria. It should, after all, as it's basically a retelling of his tried-and-true 1990 best seller, "Jurassic Park," and more or less an outline for what will surely be the movie sequel.

The central hero of "The Lost World," improbably enough, is Ian Malcolm, the cynical chaos theorist Crichton impetuously killed off in the book version of "Jurassic Park." Crichton makes no attempt to explain the scientist's mysterious reappearance, though it's safe to say it probably has less to do with DNA recovery and cloning experiments (the process that brought the dinosaurs back from extinction in "Jurassic Park"),

WHAT THEY'RE READING

• André Pagenel, the organizer at Bourges cathedral, is reading, in Braille, "La Chambre des Dames" by Jeanne Bourin. "Set in the Middle Ages in France, this is a study on how women first began to take control of their own autonomy." (John Brunton, *ITN*)



than with the simple demands of making and casing a movie sequel.

Malcolm is not only back, but also headed to the area where the trouble with the genetically cloned dinosaurs began in the first place. In the opening chapters of "The Lost World," we learn that Jurassic Park has been destroyed; that the story of people being killed by dinosaurs has been hushed up, and that InGen, the company behind the dinosaur cloning, has gone bust.

One of Malcolm's colleagues, a wealthy paleontologist by the name of Richard Levine, however, has heard rumors that remnants of the dinosaur project survive on a nearby island, and he decides to organize a search party for this "lost world."

Although Malcolm tries to deny all prior knowledge of Jurassic Park, he allows himself to be drawn into Levine's plans. Rounding out their team are Jack Thorne, a former professor of applied engineering who has outfitted Levine with all sorts of high-tech gadgets; Sarah Harding, Malcolm's former girlfriend, who happens to be an expert on animal behavior, and two children, Arby and Kelly, who show away on the trip. In other words, a virtual reconstitution of the team of good guys who starred in "Jurassic Park."

Pitted against Malcolm and company is the evil Lewis Dodgson, who started all the trouble in "Jurassic Park" by paying one of the park's employees to steal some dinosaur embryos.

Dodgson is still eager to get his hands on some dinosaur babies; unlike the good guys who want to study the dinosaurs for the advancement of science, Dodgson regards them as a simple product that can make him rich. He and his underlings also set off to find the lost world of the dinosaurs.

Having set up this basic mission scene, Crichton proceeds to give the reader a tired retelling of "Jurassic Park," one so predictable and unimaginative that it seems to have been intended

to save special-effects technicians the hassle of doing new work on the movie sequel.

Once again, we see a hungry tyrannosaur snack on one of the bad guys. Once again, we see some voracious velociraptors chase the good guys around. And once again, we see the good guys escape, thanks to the savvy of the children.

As in "Jurassic Park," there are lots of scenes of dinosaurs romping about a scenic island and lots of scenes of man's technology succumbing to the raw force of nature. All, needless to say, without the surprise or ingenuity that made "Jurassic Park" entertaining the first time around.

Crichton has never exactly been known for his attention to character, and "The Lost World" must surely represent a new low in this area. Take, for instance, Malcolm, who was played by Jeff Goldblum in the movie. Instead of even making a half-hearted attempt to turn Malcolm into a reasonable facsimile of a person, Crichton cynically uses him as a mouthpiece for all sorts of portentous techno-babble about chaos theory, extinction theories and mankind's destructive nature.

As for the other characters, they are each given handy labels. We know that Sarah is a feminist because she's less afraid of the dinosaurs than the men are. We know that Arby and Kelly are resourceful children because they're better at using computers than the adults are. And we know that Dodgson is an evil opportunist because he goes to a dinosaur nest and tries to steal the eggs belonging to a loving pair of tyrannosaurs.

In the past, Crichton has been credited with inventing the "techno-thriller," a term given new meaning by "The Lost World"; namely, a novel with lots of technology, lots of technical talk and not one recognizable human being.

Michiko Kakutani is on the staff of *The New York Times*.

Slower Global Warming Is Forecast

By Kathy Sawyer and Gary Lee
Washington Post Service

WASHINGTON — Sea levels will rise and average global temperature will increase over the next century, but not as fast and not as high as was feared a few years ago, according to new estimates from two scientific organizations that have led the way in warning about the effect of future climate change.

But the two reports just released also express a broad consensus among scientists that human activity is changing the world's climate and that governments should act to try to avert some of the consequences.

The Environmental Protection Agency, in a 186-page report, says there is a 50-50 chance that heat-trapping "greenhouse gases" building up in the atmosphere because of human activity will raise the sea level at least 5.9 inches (15 centimeters) by 2050 and about 12 inches by 2100. That increase would contribute to an ongoing rise that is apparently occurring as a result of natural processes, such as land settling, groundwater depletion and climate variability.

The total global rise in sea level most likely to result from all these causes over the next century is about 18 inches, the report says. That contrasts dramatically with the EPA's last report on the issue, in 1983, which projected a rise of more than 3

feet and prompted some states to take legislative action.

"The lower estimates have resulted from both a downward revision of future temperatures and an emerging consensus that [melting of ice in] Antarctica will probably not contribute to sea level in the next one hundred years," the EPA report says.

The projections of future warming have been lowered in part because of action taken by governments to reduce industrial emissions, and in part because of scientists' improved understanding of the complex interacting effects involved. For example, they now know that certain industrial emissions — sulfates and other aerosols, such as those that arise from coal-burning — have a cooling effect that offsets some of the warming caused by greenhouse gases.

But even with the new estimates, the projected rise in sea levels and temperature during the next century could result in severe ecological problems worldwide, such as deforestation, dramatic reductions in some regions' agricultural production and significant loss of life due to the flourishing of diseases that thrive in warmer, drier climates, according to a report released Tuesday by a working group of the International Panel on Climate Change.

The EPA report's "best guess estimate" for global warming by 2100 is about 4 degrees Fahrenheit (about 2 degrees Celsius) or half the warming that was projected by some analyses done during the

mid-1980s. The International Panel on Climate Change's group of researchers from 25 countries has made similar adjustments in its temperature projections. The group now projects a rise of 2 to 7 degrees Fahrenheit (1 to 3.5 degrees Celsius) in temperature by 2100. That same panel in a 1992 progress report estimated that a warming of about 5.5 degrees Fahrenheit (2.5 degrees Celsius) was most likely.

SOME scientists note that a change of only a few degrees — 6 or 8 degrees Fahrenheit — in average global temperature can swing a moderate climate into an ice age, or warm it up considerably.

The International Panel on Climate Change's new report projects a total global rise in sea level of 6 inches to 3 feet over the next century.

"I think we're in the same ballpark using different methodologies," said a co-author of the EPA report, Vijay K. Narayanan of Technical Resources International.

Sooner or later, many scientists agree, coastal storms will be acting on a higher base sea level, driving storm tides further inland and causing damage in areas previously unaffected. Low-lying areas such as southern Louisiana, southern Florida, the Nile Delta, the deltas of Bangladesh and the Netherlands will be threatened with gradual and increasing degrees of submersion and further exposure to storms.

They said this could help explain the difficulty in halting the disease. Sonya Heath and colleagues at the Division of Immunobiology at Virginia Commonwealth University in Richmond, Virginia, examined follicular dendritic cells (FDCs) in the lymph nodes where large amounts of HIV, the human immunodeficiency virus that is responsible for AIDS, congregate.

They showed that the FDC-bound virus is infectious even when surrounded by antibodies that would normally neutralize it.

"The finding that FDC can convert neutralized HIV immune complexes into an infectious form may have important implications for the design of therapeutic and vaccine strategies," Dr. Heath wrote in the science journal *Nature*.

BRIDGE

By Alan Truscott

THREE of the four American teams seemed likely to survive qualifying play in the Marlboro World Championships, but the fourth was involved in a close battle.

On the diagrammed deal from the seventh round of qualifying play, all the North-South pairs bid to four hearts, and at many tables East-West saved in five clubs. This was doubled and defeated by two tricks for a penalty of 300, a good result since four hearts almost always succeeded, scoring 620.

The lone minus score for North-South occurred when the East-West cards were held by Enri Leuffkens and Benny Westra, who were trying to retain the Bermuda Bowl title they and their Dutch teammates won two years ago in Santiago, Chile.

After East had opened one club and West had responded one spade, as shown, the low-heart bid following North's double was artificial: It showed a hand with three-card spade support for West. North's repeated doubles, showing a huge hand, eventually provoked South into trying four hearts and the bidding ended.

Westra was now able to hit

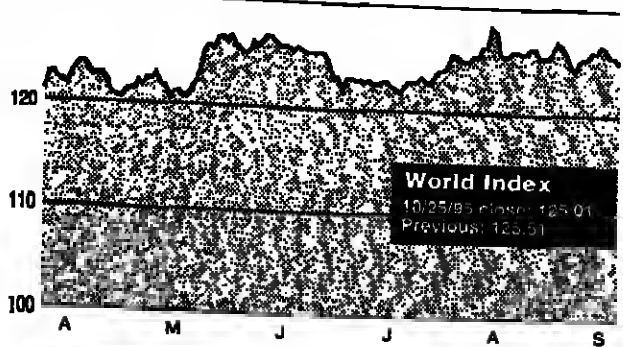
NORTH			
♠ A J 2			
♥ A J 8 3			
♦ A K Q J 2			
♣ 7			
WEST			
♠ 10 7 5 3			
♥ 7 5			
♦ 10 5			
♣ Q 8 4 2			
EAST (D)			
♠ K Q 6			
♥ K Q			
♦ 6 3			
♣ A K 10 9 5 3			
SOUTH			
♠ 8 4			
♥ 10 9 8 4 2			
♦ 9 8 7 4			
♣ J			

North and South were vulnerable.

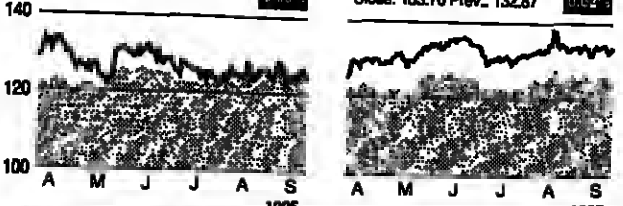
The bidding:
East: 1♣, 2♥, 3♥, 4♥, 5♥, 6♥, 7♥, 8♥, 9♥, 10♥, 11♥, 12♥, 13♥, 14♥, 15♥, 16♥, 17♥, 18♥, 19♥, 20♥, 21♥, 22♥, 23♥, 24♥, 25♥, 26♥, 27♥, 28♥, 29♥, 30♥, 31♥, 32♥, 33♥, 34♥, 35♥, 36♥, 37♥, 38♥, 39♥, 40♥, 41♥, 42♥, 43♥, 44♥, 45♥, 46♥, 47♥, 48♥, 49♥, 50♥, 51♥, 52♥, 53♥, 54♥, 55♥, 56♥, 57♥, 58♥, 59♥, 60♥, 61♥, 62♥, 63♥, 64♥, 65♥, 66♥, 67♥, 68♥, 69♥, 70♥, 71♥, 72♥, 73♥, 74♥, 75♥, 76♥, 77♥, 78♥, 79♥, 80♥, 81♥, 82♥, 83♥, 84♥, 85♥, 86♥, 87♥, 88♥, 89♥, 90♥, 91♥, 92♥, 93♥, 94♥, 95♥, 96♥, 97♥, 98♥, 99♥, 100♥, 101♥, 102♥, 103♥, 104♥, 105♥, 106♥, 107♥, 108♥, 109♥, 110♥, 111♥, 112♥, 113♥, 114♥, 115♥, 116♥, 117♥, 118♥, 119♥, 120♥, 121♥, 122♥, 123♥, 124♥, 125♥, 126♥, 127♥, 128♥, 129♥, 130♥, 131♥, 132♥, 133♥, 134♥, 135♥, 136♥, 137♥, 138♥, 139♥, 140♥, 141♥, 142♥, 143♥, 144♥, 145♥, 146♥, 147♥, 148♥, 149♥, 150♥, 151♥, 152♥, 153♥, 154♥, 155♥, 156♥, 157♥, 158♥, 159♥, 160♥, 161♥, 162♥, 163♥, 164♥, 165♥, 166♥, 167♥, 168♥, 169♥, 170♥, 171♥, 172♥, 173♥, 174♥, 175♥, 176♥, 177♥, 178♥, 179♥, 180♥, 181♥, 182♥, 183♥, 184♥, 185♥, 186♥, 187♥, 188♥, 189♥, 190♥, 191♥, 192♥, 193♥, 194♥, 195♥, 196♥, 197♥, 198♥, 199♥, 200♥, 201♥, 202♥, 203♥, 204♥, 205♥, 206♥, 207♥, 208♥, 209♥, 210♥, 211♥, 212♥, 213♥, 214♥, 215♥, 216♥, 217♥, 218♥, 219♥, 220♥, 221♥, 222♥, 223♥, 224♥, 225♥, 226♥, 227♥, 228♥, 229♥, 230♥, 231♥, 232♥, 233♥, 234♥, 235♥, 236♥, 237♥, 238♥, 239♥, 240♥, 241♥, 242♥, 243♥, 244♥, 245♥, 246♥, 247♥, 248♥, 249♥, 250♥, 251♥, 252♥, 253♥, 254♥, 255♥, 256♥, 257♥, 258♥, 259♥, 260♥, 261♥, 262♥, 263♥, 264♥, 265♥, 266♥, 267♥, 268♥, 269♥, 270♥, 271♥, 272♥, 273♥, 274♥, 275♥, 276♥, 277♥, 278♥, 279♥, 280♥, 281♥, 282♥, 283♥, 284♥, 285♥, 286♥, 287♥, 288♥, 289♥, 290♥, 291♥, 292♥, 293♥, 294♥, 295♥, 296♥, 297♥, 298♥, 299♥, 300♥, 301♥, 302♥, 303♥, 304♥, 305♥, 306♥, 307♥, 308♥, 309♥, 310♥, 311♥, 312♥, 313♥, 314♥, 315♥, 316♥, 317♥, 318♥, 319♥, 320♥, 321♥, 322♥, 323♥, 324♥, 325♥, 326♥, 327♥, 328♥, 329♥, 330♥, 331♥, 332♥, 333♥, 334♥, 335♥, 336♥, 337♥, 338♥, 339♥, 340♥, 341♥, 342♥, 343♥, 344♥, 345♥, 346♥, 347♥, 348♥, 349♥, 350♥, 351♥, 352♥, 353♥, 354♥, 355♥, 356♥, 357♥, 358♥, 359♥, 360♥, 361♥, 362♥, 363♥, 364♥, 365♥, 366♥, 367♥, 368♥, 369♥, 37

THE TRIB INDEX: 125.01

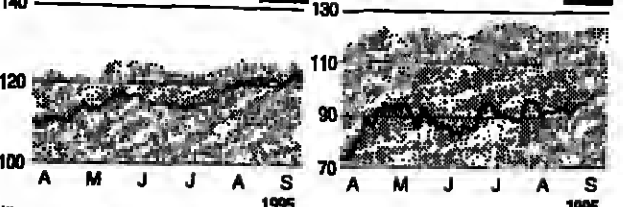
International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



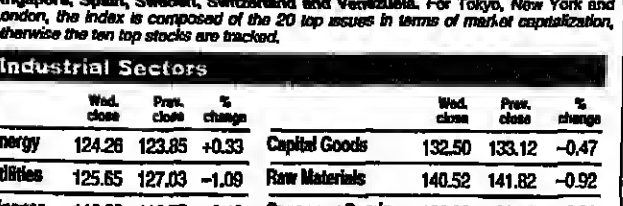
World Index
10/25/95 Close: 123.99
Previous: 125.01



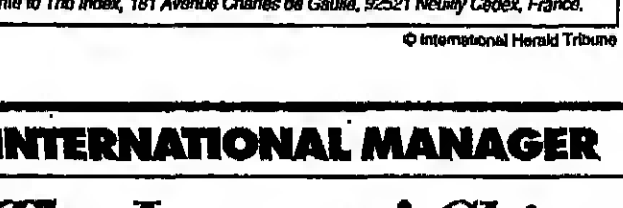
Asia/Pacific
Approx. weighting: 32%
Close: 123.99 Prev.: 124.99



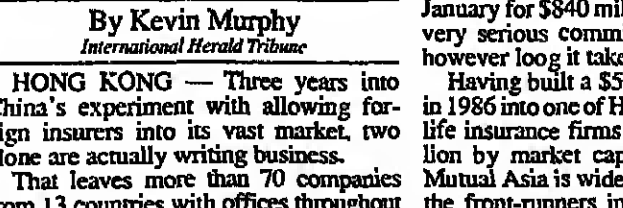
Europe
Approx. weighting: 37%
Close: 123.70 Prev.: 123.57



North America
Approx. weighting: 5%
Close: 121.54 Prev.: 122.39

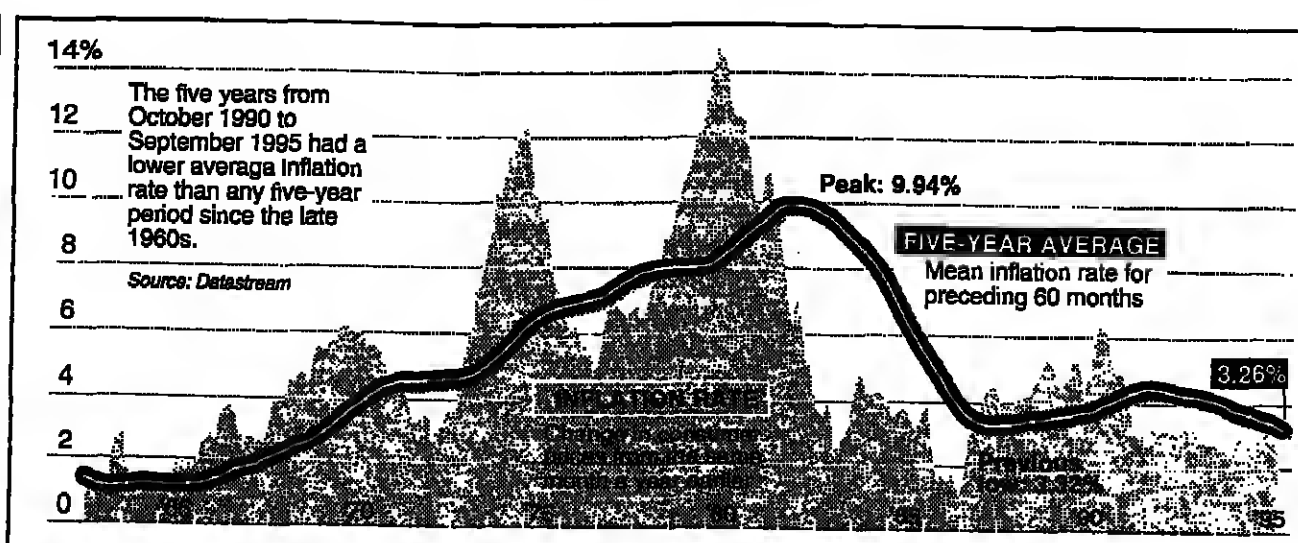


Latin America
Approx. weighting: 5%
Close: 88.04 Prev.: 91.57



Industrial Sectors
Close: 124.26 Prev.: 123.85 +0.33

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.



The five years from October 1990 to September 1995 had a lower average inflation rate than any five-year period since the late 1960s.
Source: Datastream

Don't Count Out U.S. Inflation Yet As Economic Debate Roars, the Real Test Is Coming

By Peter Passell
New York Times Service

NEW YORK — Remember WIN buttons? Those relics of the mid-1970s, with their "Whip Inflation Now" slogan avidly promoted by then-President Gerald R. Ford, are collector items today, reminders of a misty past that apparently shows no signs of returning.

Indeed, the United States has just gone through five straight years of the lowest level of consumer price inflation since the economy's golden run in the mid-1960s. But if inflation, now at less than 3 percent, is down, it may not yet be time to count it out.

A hot debate has erupted between those who contend that the economy has changed so fundamentally that inflation is no longer a serious threat and those who worry that efforts to stimulate the economy beyond its natural capacity could again stir the beast from its slumber.

On one side are politicians of both the right and left, much of the labor movement and a growing number of business leaders. They argue that the Federal Reserve Board, because of an outdated fear of inflation, has suppressed growth by keeping interest rates too high and credit too tight.

"There's no sign of pricing pressure anywhere," John Welch, the chief executive of the General Electric Co., said at a meeting of the Business Council in Williamsburg, Virginia, this month. "This economy can grow more than 2 or 2½ percent," he asserted, "and we ought to let it do it."

But Mr. Welch's optimism is not shared by many on Wall Street and much of the economics establishment. While economists are intrigued by fragmentary evidence that fierce competition and corporate restructuring have caged both price and wage increases, they remain skeptical whether the underlying forces have been tamed.

"It's much too early to declare victory," argued Robert Gordon, a leading economist at Northwestern University. "The relationship between unemployment and inflation has held for two decades and is one of the best documented linkages."

What worries many specialists is that inflation has stayed unexpectedly low so far in the 1990s only because of special factors that are unlikely to be repeated. If the economy continues to advance and the jobless rate creeps lower, they say, it is only a matter of time before prices begin to rise at an accelerating pace.

Those thoughts were echoed by the Fed chairman, Alan Greenspan, at a speech last week to the Economic Club of Chicago. "We have to be careful not to lul ourselves into the presumption that somehow the institutional structure of the American economy and its increasing globalization is permanently suppressing inflation," he said.

Mr. Greenspan added that workers, still insecure in their jobs after years of layoffs and corporate downsizing, have not pressed for higher wages, out of fear of losing their jobs. But there will eventually come a point, Mr. Greenspan said, "when workers will perceive that it no longer makes sense to trade off wage progress for incremental gains in expected job security."

So who's right? No one can say for sure, but the next year or so is likely to test the economy's sensitivity to inflation. For all its vows of vigilance, the Fed is under political pressure to push interest rates down even though unemployment, at 5.5 percent, is already less than the level of roughly 6 percent that has tended to spur higher prices in the past.

That will be particularly true if the White House and Congress manage to agree on a plan to eliminate the budget deficit over the next several years.

Squeezing from one side is President Bill Clinton, who wants a strong economy to aid his re-election bid. From the other, congressional Republicans need rapid growth to generate the tax revenues to meet their budget goals.

Nobody on either side of the debate is predicting a return to the double-digit inflation rates of the 1970s.

In the oil shocks of that decade, Washington was inclined to avoid recessions at all cost, accommodating higher energy prices by sharply expanding the money supply.

But that same path was not pursued after the spike in oil prices following Iraq's invasion of Kuwait in 1990. Indeed, the Fed accepted a recession as the cost of emphasizing the point that price stability was Job One.

Rising Sales And Cost Cuts Lift VW Profit

Compiled by Our Staff From Dispatches

WOLFSBURG, Germany — Volkswagen AG said Wednesday that its net profit reached 185 million Deutsche marks (\$132.6 million) in the first nine months, compared with a loss of 73 million DM in the same period a year ago, due to rising sales volume and to rationalization measures.

The German carmaker said sales rose 11 percent, to 65.21 billion DM, in the first nine months.

"For the whole year, Volkswagen expects a recognizably better result than in 1994 because of rising production and unit sales, and in particular thanks to the success of the transformation process for the concern," the company said.

The company's net profit last year was 149 million DM and it had reported a net profit of 113 million DM for the first half.

Excluding VW's Skoda, SEAT and Audi units, net profit rose to 215 million DM in the first nine months, compared with a figure of 107 million DM in the same period a year earlier.

Volkswagen said deliveries of all models rose 6.4 percent, to 2.66 million cars, compared with 2.50 million in the year earlier period.

"This is so remarkable because the results of the third quarter were negatively influenced by dropping production in connection with wage negotiations this year," the company said.

Production fell behind schedule because of strikes and walkouts during wage talks. The company made an agreement with its workers over wages and working hours with the aim of making production more flexible.

The news cheered investors as the share price climbed to 434.80 DM, up 2 percent, or 9.30 DM, from its closing quote on Tuesday.

Analysts said the results were the product of steps Volkswagen took to make itself more competitive after it reported record losses in 1993.

"VW had left its sales to market forces and only watched as competitors increased their sales," said Peter Schmidt, an analyst at Automotive Industry Data. "But these numbers show that VW has a new competitive spirit."

He and others said VW achieved the sales growth mostly by offering buying incentives. They are buying market share," said Sabine Blumel, an analyst at IMI Sigeco UK.

Analysts noted that Volkswagen has been able to achieve double-digit sales growth in many major European markets with incentives on trade-ins of used cars.

In Germany itself, VW was slow to match other makers with such trade-in incentives and its sales only picked up after such programs were implemented, they said.

Analysts warned, however, that profits will not be able to keep up with sales growth.

They said that Volkswagen's inexpensive Polo model, which has sold well throughout Europe, has eroded sales of the company's Golf model, which boasts greater profit margins.

Analysts said nevertheless that efforts by Volkswagen to keep wage costs down and improve efficiency would help the company in the long term.

One analyst calculated that Volkswagen currently has to produce at only 85 percent of capacity to make a profit, while only a few years ago it had to produce at capacity between 95 percent and 100 percent.

(Bloomberg, Reuters)

INTERNATIONAL MANAGER

The Insurers' China Policy: Get a Life

By Kevin Murphy
International Herald Tribune

HONG KONG — Three years into China's experiment with allowing foreign insurers into its vast market, two alone are actually writing business.

That leaves more than 70 companies from 13 countries with offices throughout China, where the main game is making friends and waiting for the good times to roll.

The People's Bank of China, the central bank is moving cautiously as it comes to grips with regulating a modern insurance marketplace and how best to protect consumers and existing domestic insurers alike.

"We could only gradually explore the feasibility and steps of opening up the insurance market based on experience," said Yang Wenyong, director of the central bank's foreign financial institutions department in a recent China Daily report that suggested one or two more new licenses would be issued "in the near future."

But aspiring foreign life insurers think they can help speed the process and build some useful "guanxi," or connections, through increasingly heavy investment in training and education for future Chinese regulators and executives.

The competition has become quite intense for a license," said Andres Kabel, chief financial executive for National Mutual Asia Ltd., whose Australian parent was bought by Axa SA of France in January for \$840 million. "But we have a very serious commitment to getting in, however long it takes."

Having built a \$50 million investment in 1986 into one of Hong Kong's top three life insurance firms now worth \$1.6 billion by market capitalization, National Mutual Asia is widely considered among the front-runners in the race for an operating license in China.

Picking up a Chinese investor and ally in the well-connected, state-owned investment company, China Everbright Holdings Co., which bought a 5 percent stake in November last year, only helped.

"We're expecting it in 1996," said Carmel Wellso, an analyst with Baring Securities in Hong Kong. "But it's a very slow and very gradual process. The authorities won't be giving out licenses to anyone who wants one."

National Mutual Asia is leaving nothing to chance.

Since opening a representative office in Beijing in 1993, National Mutual Asia has sponsored training visits to Hong Kong and Melbourne for insurance officials from the Chinese central bank and executives from the state-owned People's Insurance Co. of China.

In addition, National Mutual Asia is spending 10 million Hong Kong dollars (\$1.3 million) at Chinese universities for accounting and actuarial studies, computers and aid for local lecturers from some of the country's most prestigious institutes to go abroad.

Targeting potential customers, National Mutual Asia also sponsors a twice-weekly radio program on national radio and a weekly newspaper column in financial dailies.

"There is a lot of money-based lobbying going on in China, but we've decided to focus on demonstrating our ability to assist in market development," Mr. Kabel said.

But others among the 70-odd companies trying to join the already-approved Tokio Marine & Fire Insurance Co. and American International Group, in the lucrative market, have entered the education stakes as well.

Aetna International Inc., recently announced plans to establish a business school at Jiao Tong University in Shanghai, a commitment that could require \$10 million to be invested over time.

Aetna, too, has trained Chinese insurance executives and contributed to scholarship programs for higher education, an area that is in desperate need of new funds as Chinese institutions face rising costs and the loss of teaching ranks to the commercial sector.

But however much the foreign insurance companies spend on developing the market — new regulations require all companies to choose between offering life and general insurance — the lucky ones expect to soon recoup the investment.

In the long term, as Beijing moves to dismantle its cradle-to-grave welfare system, a strong national tradition of saving is expected to further benefit a life insurance market now dominated by People's Insurance and a handful of new domestic rivals.

Siemens and Motorola Plan U.S. Plant

Compiled by Our Staff From Dispatches

BONN — Siemens AG, the German electronics company, and Motorola Inc. said Wednesday they would build a semiconductor plant in the United States for \$1.5 billion as part of a global semiconductor alliance.

The plant, a fully integrated facility for chip production, assembly and testing, will eventually employ around 13,000 people. No decision has been made on its location.

Construction of the plant will begin next year and chip manufacturing could start in early 1998, they said.

The deal is part of Motorola's entry into a broader alliance with Siemens, International Business Machines Corp. and Toshiba Corp. of Japan in the development of the next generation of advanced semiconductors.

The four companies announced on Wednesday they would join forces to upgrade existing 64- and 256-megabyte chips and cooperate on next-generation one-gigabyte dynamic random-access memory or D-RAM chips, which would have four times the memory of a 256-megabyte chip. This would allow the storage of 100,000 double-spaced pages of typewritten text on a single chip.

Siemens said the costs of developing the one-gigabyte chip would run as high as \$1.3 billion.

Motorola researchers will join development teams from IBM, Siemens and Toshiba working on high-density memory chips at IBM's Advanced Semiconductor Research and Development Center.

IBM, Siemens and Toshiba have already collaborated on 64- and 256-megabyte D-RAM chips, and IBM has worked with Motorola and Apple Computer Inc. on the PowerPC chip.

Such alliances have become common because development costs are so steep that one enterprise alone can no longer finance new generations of semiconductors.

"I wouldn't be surprised if other partners joined the alliance," said Jürgen Hackenberg, an analyst with Deutsche Bank's research arm.

Commenting on the feverish pace of investment in the industry, Jürgen Knorr, head of the Siemens semiconductor division, said the companies were still far from satisfying skyrocketing demand.

"Originally, it was estimated that this market would have a value of around \$200 billion by the year 2000. But the latest forecasts are for \$300 billion," he said.

Advanced semiconductors are used to power a range of products including personal computers, telecommunications, consumer electronics and automation for multimedia applications.

(Reuters, Bloomberg, AP)

Alcatel Swaps Units for Stake in Havas

Compiled by Our Staff From Dispatches

PARIS — Alcatel Alsthom, Europe's biggest telecommunications equipment maker, said Wednesday it was transferring all its press holdings to CEP Communications, a unit of media group Havas SA, in exchange for a 21.2 percent stake in Havas.

For Alcatel, which in the first half of 1995 posted its first loss of more than 1 billion French francs (\$204.6 million), the move marks the beginning of attempts by its new chairman, Serge Tchuruk, to streamline operations and divest noncore businesses.

As part of the exchange, Générale Occidentale SA, Alcatel's media unit, will transfer its stake in Groupe de la Cité SA, a publisher of technical books and dictionaries, to CEP Communications. It will be paid for in CEP Communications shares.

Générale Occidentale will transfer to Havas the 29.3 percent of CEP it holds in addition to the new shares it will get.

CEP Communications will offer to buy back the 25.3 percent stake in Groupe de la Cité held by the public. Havas, which holds a 7.1 percent stake in Groupe de la Cité, will tender its shares in the offer.

At the end of the various transactions, Havas will have Alcatel's publications, including L'Express, Le Point, Courrier International, Le Vif, Lire and the restaurant guide Gault & Millau. Havas will also hold 73 percent of CEP Communications, which in turn will own all of Groupe de la Cité.

"We didn't disengage pure and simple to raise cash," Mr. Tchuruk said. The company decided "not to sell directly for cash" because it still values its seven-year-old close relationship with Havas.

The stake in Havas will make Alcatel the media company's highest shareholder. Alcatel will get two seats on the Havas board.

Alcatel Alsthom also has agreed not to sell any of its Havas shares for a two years until the end of 1998, a spokeswoman for the company said.

"After the end of 1998, the group is free to do what it wants with its stake," she added.

The operation will make Havas one of the world's largest communications companies after Time Warner Inc. and Walt Disney Co., Bertelsmann AG and News Corp.

Alcatel shares closed 15.5 francs (\$3.17) higher in Paris at 420 francs. Shares in Havas, CEP Communications and Groupe de la Cité shares were suspended from trading in Paris.

(Bloomberg, Reuters)

CURRENCY & INTEREST RATES

Oct. 25 Eurocurrency Deposits									
	1 month	3 months	6 months	9 months	12 months	1 year	2 years	3 years	4 years
London	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Frankfurt	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Paris	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Brussels	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Amsterdam	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Basel	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Geneva	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Madrid	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Barcelona	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Porto	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Lisbon	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Stockholm	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Oslo	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Copenhagen	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Helsinki	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Tokyo	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Osaka	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Seoul	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Manila	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Bombay	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Calcutta	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Colombo	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Delhi	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Hyderabad	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Kolkata	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Mumbai	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Patna	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Ranchi	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Srinagar	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Thiruvananthapuram	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Udaipur	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Vadodra	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Vijayawada	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Warangal	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Yamuna	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
Other Dollar Values									
Argentina	1.5784	1.5773	1.5763	1.5753	1.5743	1.5733	1.5723	1.5713	1.5703
Australia	1.3374	1.3364	1.3354	1.3344	1.3334	1.3324	1.3314	1.3304	1.3294
Belgium	0.9364	0.9354	0.9344	0.9334	0.9324	0.9314	0.9304	0.9294	0.9284
Canada	0.7104	0.7094	0.7084	0.7074	0.7064	0.7054	0.7044	0.7034	0.7024
France	6.5404	6.5394	6.5384	6.5374	6.5364	6.5354	6.5344	6.5334	6.5324
Germany	1.3364	1.3354	1.3344	1.3334	1.3324	1.3314	1.3304	1.3294	1.3284
Italy	1.3364	1.3354	1.3344	1.3334	1.3324	1.3314	1.3304	1.3294	1.3284
Japan	1.3364	1.3354	1.3344	1.3334	1.3324	1.3314	1.3304	1.3294	1.3284
South Africa	1.3364	1.3354	1.3344	1.3334	1.3324	1.3314	1.3304	1.3294	1.3284
Switzerland	1.3364	1.3354	1.3344	1.3334	1.3324	1.3314	1.3304	1.3294	1.3284
U.K.	1.3364	1.3354	1.3344	1.3334	1.3324	1.3314	1.3304	1.3294	1.3284
U.S.	1.3364	1.3354	1.3344	1.3334	1.3324	1.3314	1.3304	1.3294	1.3284
Forward Rates									
30-day	1.3364	1.3354	1.3344	1.3334	1.3324	1.3314	1.3304	1.3294	1.3284
60-day	1.3364	1.3354	1.3344	1.3334	1.3324	1.3314	1.3304	1.3294	1.3284
90-day	1.3364	1.3354	1.3344	1.3334	1.3324	1.3314	1.3304	1.3294	1.3284
180-day	1.3364	1.3354	1.3344	1.3334	1.3324	1.3314	1.3304	1.3294	1.3284
360-day	1.3364	1.3354	1.3344	1.3334	1.3324	1.3314	1.3304	1.3294	1.3284

China Sets New Rules on Futures Trade

Bloomberg Business News

SHANGHAI — Chinese securities regulators issued on Wednesday a set of strict rules aimed at cooling speculation in futures markets.

The China Securities Regulatory Commission said that futures exchanges must "strictly control" trading, and warned brokers of stiff penalties if they disobey rules.

Domestic stocks surged, suggesting that speculators shifted assets from futures to the cash market.

"For those who exceed positions and manipulate markets, their illegal gains shall be confiscated and fines will be levied," the commission said.

The new rules come in the wake of a bond-futures scandal in March that brought down top officials at Shanghai International Securities Co. More recently, a plywood-futures trading scandal in Shanghai led regulators to shut the exchange for a week.

Some analysts said they were not impressed with the rules because it was unclear how they would be enforced.

"It's good, of course," said Hoong Yik Luen, an analyst at J.M. Sassoon & Co. "But the problem is how you're going to enforce this regulation, and enforcement is the critical issue that China faces now."

Enforcement of trading rules has proven particularly difficult in China's futures markets, where speculation is rampant.

According to the new regulations, traders who exceed existing margin requirements must pay margins of an extra 50 percent, and will not be allowed to use profits received from same-day settlement to open new positions. Margin requirements are the amount of cash an investor has to post in order to take a position.

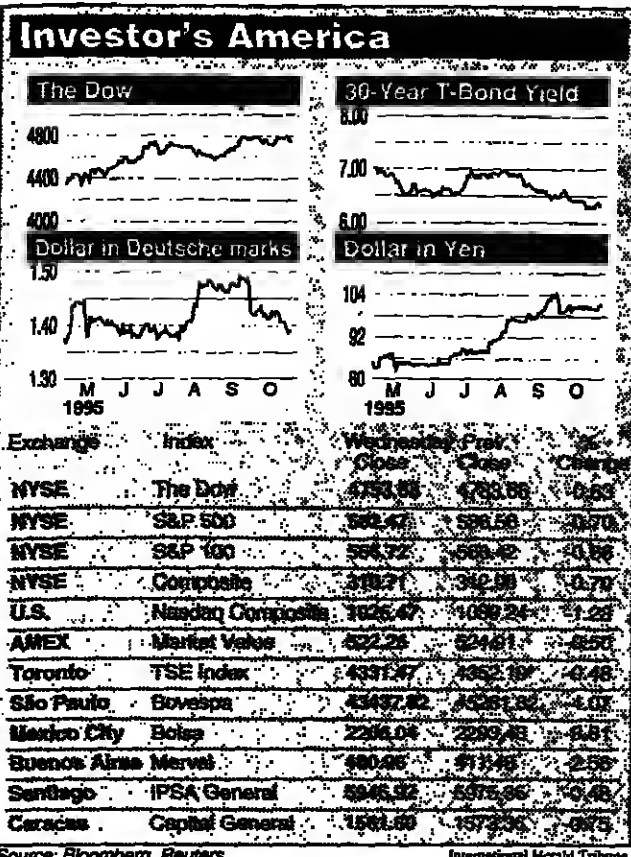
The commission also said that brokers who open subsidiaries to do business as futures traders would be "severely punished." The new rules appeared in a circular, published in major newspapers.

■ Beijing Warns on Dam Project

China warned Wednesday that U.S. companies would miss out on major contracts for the Three Gorges dam if Washington denies it export credits. Agence France-Presse reported from Beijing.

Lu Youmei, president of Three Gorges Project Development Corp., said Washington's recent recommendation that the Export-Import Bank refuse credits for contracts related to the world's largest hydro-electric project "will be a major setback

THE AMERICAS



Very briefly:

U.S. Robotics Makes Bid for Hayes

NEW YORK (AP)—U.S. Robotics Corp., a leading maker of computer peripherals, has offered to acquire Hayes Microcomputer Products Inc., saying it would pay its rival's debts and add nearly \$100 million of its own stock.

Hayes, which set the technical standard in modern design, has been reorganizing under bankruptcy-court protection since last fall. It owes creditors between \$60 million to \$85 million. U.S. Robotics Judge Hugh Robinson in Atlanta, who is presiding over the Hayes reorganization, would have to approve the transaction.

Occidental Petroleum Corp. said it would consolidate its worldwide crude oil and natural gas operations. Decisions about layoffs would be revealed in January.

United Technologies Corp. said that its profits grew by 12 percent, to \$210 million, in the third quarter as four of its five business segments recorded double-digit income gains. Sales increased 8 percent, to \$5.65 billion, in the quarter.

Dow Corning Corp. earned \$47.3 million in the third quarter, up 36 percent from the same quarter a year ago, largely on the strength of sales growth in Asia.

Bethlehem Steel Corp. said rising demand for cars and healthy construction and industrial markets helped it more than triple its third-quarter earnings, to \$34 million, from \$10 million a year earlier.

Knight-Ridder, AP, Reuters

Global Sales Spur Earnings at P&G Earnings Worries

Bloomberg Business News

CINCINNATI—Procter & Gamble Co. said Wednesday that its first-quarter earnings rose 13 percent on higher international sales and the benefits of continued cost-cutting.

The maker of Tide detergent, Crest toothpaste and Pampers disposable diapers said earnings for the quarter ended June 30 rose to \$896 million, or \$1.27 a share, up from \$792 million, or \$1.12 a share, a year earlier. Revenue rose 10 percent to \$9.03 billion from \$8.18 billion.

The results matched Wall Street expectations of \$1.27 a share, the average estimate of 15 analysts surveyed by First Call Corp.

Worldwide unit volume rose 9 percent, compared with a year ago, setting a shipment record, the company said. Sales and earnings benefits from stronger European and Asian currency translations were offset

by the weaker Mexican peso.

"Our focus on share growth in key categories and cost control continues to produce sales and earnings growth, providing a solid start to our fiscal year," said John Pepper, P&G's chairman and chief executive.

Shares in the Cincinnati-based company were down 87.5 cents, at \$82.87, in mid-afternoon trading.

The company reported the following regional results:

• In Europe, the Middle East and Africa, unit volume rose 12 percent, compared with the year-ago period, with strength in the laundry and cleaning businesses.

• Asia posted a 22 percent rise in unit volume, led by China, with increases of 12 percent in sales and 9 percent in earnings.

• North America had record shipments, with unit volume up 6 percent, driven by the food and beverage business.

• Latin America achieved 6 percent unit growth, despite a 3 percent decline in Mexico.

Sara Lee Earnings Advance

Sara Lee Corp. said Wednesday that its first-quarter earnings rose 13 percent, as profit margins widened, Bloomberg Business News reported from Chicago.

Net income for the three-month period ended Sept. 30 increased to \$186 million, or 37 cents a share, from \$163 million, or 33 cents, a year earlier. Revenue rose 9 percent to \$4.7 billion.

The results were just shy of analysts' expectations.

"Each of Sara Lee's four lines of business posted double-digit profit gains and increased sales for the first quarter, positioning us well for sustained growth throughout fiscal 1996," said John H. Bryan, the company's chairman.

Cost Cuts Raise Du Pont Profit By 19%

Compiled by Our Staff From Dispatches

WILMINGTON, Delaware—Du Pont Co. reported a 19 percent increase in third-quarter earnings on Wednesday, citing improved profit margins from cost controls and a modest sales increase.

Net income for the three months ended Sept. 30 totaled \$769 million, compared with \$647 million a year earlier. The company said it had record earnings for a third quarter of \$1.38 per share up from 95 cents a year earlier.

Per-share earnings rose more than overall earnings because the company had 18 percent less stock outstanding after the

redemption of shares from Seagram Co. in April. The New York-based distiller sold its 24 percent stake in Du Pont for \$8.8 billion to raise money to buy 80 percent of the entertainment company MCA.

Third-quarter sales were \$10.2 billion, a 4 percent increase over the comparable period last year.

John A. Krol, president of Du Pont, said that the increased earnings came despite a slowdown in one of the company's international markets, which pressured sales in chemicals and specialty businesses and cut into profit margins in the company's energy business.

"In spite of these conditions, emphasis on cost control allowed us to generate solid earnings gains and to continue our ongoing progress in achieving profitable growth worldwide," Mr. Krol said.

Chemical profits led the earnings increase, more than doubling to \$162 million in the third quarter. Petroleum accounted for 43 percent of sales and 23 percent of profit. In the latest quarter, a charge of \$67 million from an insurance reimbursement from environmental cleanups was partly offset by charges of \$39 million, for litigation costs, asset write-downs and restructuring. (Reuters, AP, Bloomberg)

Dollar Gains on Yen, Mixed in Europe

Compiled by Our Staff From Dispatches

NEW YORK—The dollar rose against the yen Wednesday but was mixed against European currencies after Hans Tietmeyer, the president of the Bundesbank, said the U.S. currency was undervalued.

"I regard the dollar and some European currencies as being on the undervalued side," Mr. Tietmeyer said.

The dollar rose to 101.18 yen, from 100.50 yen at the close Tuesday. It slipped, however, to 1.3920 Deutsche marks from 1.3945 DM.

The dollar slipped against the mark amid

concern that political tension in Europe would drive the German currency higher.

The dollar rose to 4.9005 French francs from 4.8885 but fell to 1.1325 Swiss francs.

FOREIGN EXCHANGE

from 1.1360. The pound edged higher, to \$1.5795 from \$1.5790.

The most likely trigger for renewed mark strength is the no-confidence motion against Prime Minister Lamberto Dini of Italy, which is set for a vote in parliament Thursday.

"If the no-confidence vote goes through we'll have a new lira crisis on our hands," which will bolster the mark against other European currencies and the dollar, said Mike Jones, foreign-exchange manager at ABN-Amro Bank in London.

The Mexican peso fell to its lowest level in seven months. The dollar rose to 6.785 pesos from 6.750.

The Canadian dollar edged lower on concern that Quebec voters would choose independence in a vote Monday. The U.S. dollar fetched 1.3692 Canadian units, up from 1.3675. (Bloomberg, AP)

WORLD STOCK MARKETS

Wednesday, Oct. 25	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Prev.																									
Prices in local currencies.																																																	
Tel Aviv																																																	
ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70																				
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ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70																				
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ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70																				
ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70																				
ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70																				
ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70																				
ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70																				
ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70																				
ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40	45.50	44.50	45.70	ADAM	44.40																							

The 1995 International Herald Tribune Survey

YOU AND THE INTERNATIONAL HERALD TRIBUNE...

Changes have recently been made to the content and format of the IHT. How satisfactory do you now find the contents and format? Which items would you like to see more of?

	More satisfactory	Much the same	Less satisfactory	More of
Overall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
New look page 2 incorporating "feature" articles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
"Signposting" of the different sections of the newspaper	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Geographic balance of news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
USA news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
European news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Asian news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Latin American news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business pages	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Science/Technology	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Personal Health	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leisure travel information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business travel information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

How often do you read or look at the IHT?

5-6 days a week	<input type="checkbox"/>	1-2 days a week	<input type="checkbox"/>
3-4 days a week	<input type="checkbox"/>	Less than once a week	<input type="checkbox"/>

How do you usually obtain copies of the IHT?

Home Subscription	<input type="checkbox"/>	Other Office Subscription	<input type="checkbox"/>
Colleague/Friend	<input type="checkbox"/>	Newsstand	<input type="checkbox"/>
Personal Office Subscription	<input type="checkbox"/>	Airline/Hotel	<input type="checkbox"/>

Who else usually reads your copy of the IHT?

Spouse/partner	<input type="checkbox"/>	Family/Friends	<input type="checkbox"/>
Colleagues/associates	<input type="checkbox"/>	None of these	<input type="checkbox"/>

And how many people excluding yourself usually read your copy of the IHT?

One	<input type="checkbox"/>	Three	<input type="checkbox"/>	Five or more	<input type="checkbox"/>
Two	<input type="checkbox"/>	Four	<input type="checkbox"/>	No-one else	<input type="checkbox"/>

How long do you usually spend with an issue of the IHT, taking into account all the times you look at it?

Less than fifteen minutes	<input type="checkbox"/>	30 minutes - 60 minutes	<input type="checkbox"/>
15 minutes - 30 minutes	<input type="checkbox"/>	Over one hour	<input type="checkbox"/>

How do you find the coverage on the IHT business pages...

	Too much coverage	Coverage just right	Too little coverage
Financial Statistics	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business News	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business Features and Analysis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

How do you find the amount of the following financial statistical tables in the IHT business pages?

	Too much	Just right	Too little
New York Stock Exchange	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
American Stock Exchange	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NASDAQ	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International Futures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Currency Markets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Would you like to receive additional information from the IHT via the following means...

Yes	No
Internet	<input type="checkbox"/>
E-Mail	<input type="checkbox"/>
Fax	<input type="checkbox"/>

If you would like to make any comments/suggestions about the contents of the IHT, please do so on the reverse of this page, after completing the rest of the questions. When you have completed the questionnaire, please return it to RSL using the folding instructions on the reverse. Freepost applies in most countries.

AIR TRAVEL...

For each of the countries or areas listed below please indicate which you have visited by air on business in the last 12 months?

Austria	<input type="checkbox"/>	Japan	<input type="checkbox"/>
Belgium/Luxembourg	<input type="checkbox"/>	Korea	<input type="checkbox"/>
France	<input type="checkbox"/>	Malaysia	<input type="checkbox"/>
Germany	<input type="checkbox"/>	New Zealand	<input type="checkbox"/>
Italy	<input type="checkbox"/>	Philippines	<input type="checkbox"/>
Netherlands	<input type="checkbox"/>	Singapore	<input type="checkbox"/>
Scandinavia/Finland	<input type="checkbox"/>	Taiwan	<input type="checkbox"/>
Spain	<input type="checkbox"/>	Thailand	<input type="checkbox"/>
Switzerland	<input type="checkbox"/>	Other Asia/Pacific	<input type="checkbox"/>
UK	<input type="checkbox"/>	USA	<input type="checkbox"/>
Russia	<input type="checkbox"/>	Canada	<input type="checkbox"/>
Other Central/Eastern Europe	<input type="checkbox"/>	South America	<input type="checkbox"/>
Australia	<input type="checkbox"/>	Central America/Caribbean	<input type="checkbox"/>
China	<input type="checkbox"/>	Middle East	<input type="checkbox"/>
Hong Kong	<input type="checkbox"/>	South Africa	<input type="checkbox"/>
India	<input type="checkbox"/>	Other Africa	<input type="checkbox"/>
Indochina	<input type="checkbox"/>	Other	<input type="checkbox"/>
Indonesia	<input type="checkbox"/>		

Approximately how many international trips by air have you made in the last 12 months?

(a) mainly for business purposes?		(b) in total including business and personal trips?	
Business	Total	Business	Total
1-2 trips	<input type="checkbox"/>	20-34 trips	<input type="checkbox"/>
3-5 trips	<input type="checkbox"/>	35 or more trips	<input type="checkbox"/>
6-10 trips	<input type="checkbox"/>	None	<input type="checkbox"/>
11-19 trips	<input type="checkbox"/>		

For business trips what class of travel do you usually use?

	Trips up to 4 hours	Trips of 4 hours or more
First Class	<input type="checkbox"/>	<input type="checkbox"/>
Business Class	<input type="checkbox"/>	<input type="checkbox"/>
Economy	<input type="checkbox"/>	<input type="checkbox"/>

Approximately how many nights have you spent in hotels in the last 12 months?

1-7	<input type="checkbox"/>	30-49	<input type="checkbox"/>	100 or more	<input type="checkbox"/>
8-14	<input type="checkbox"/>	50-74	<input type="checkbox"/>		
15-29	<input type="checkbox"/>	75-99	<input type="checkbox"/>	Nona	<input type="checkbox"/>

When making your travel plans, do you personally specify...

	Yes	No
the airline(s)	<input type="checkbox"/>	<input type="checkbox"/>
the hotel(s)	<input type="checkbox"/>	<input type="checkbox"/>

In the last 12 months have you...

Flown in a privately chartered aeroplane	<input type="checkbox"/>	<input type="checkbox"/>
Used your company's private aeroplane	<input type="checkbox"/>	<input type="checkbox"/>

Herald Tribune

THE WORLD'S DAILY NEWSPAPER

Dear Reader

RSVP!

Every day we write this newspaper for you. Occasionally we ask you to fill in a page for us. Each person reading this letter is important to us: whether you are a subscriber, a regular reader, an occasional reader or first-time reader. We need a clear picture of you, so that we can deliver a newspaper which satisfies your needs and interests as well as helping the commercial activities of the IHT.

You may be reading this letter in your home, your office or in an aeroplane; as the IHT circulates in 181 countries, the questionnaire which appears on this page is our best method of reaching you.

Our "thank you" is to send food and clothes to children in need world-wide and support an eye hospital in Asia as well as other charities. Over recent years this Survey has raised more than US\$50,000 in charitable donations; please help make 1995 a record year!

Your reply will be treated in strictest confidence by the research company RSL-Research Services Ltd. If you are willing to participate in other IHT research projects please fill in your name and address in the bottom corner of this questionnaire. Thank you in advance.

Richard McClean

Richard McClean
Publisher and Chief Executive

P.S.
A Dollar To A Charity Of Your Choice
Please indicate which of these charities should benefit from your dollar donation.

A child in:

Bosnia ☐
Brazil ☐
India ☐
Iraqi Kurdistan ☐
Rwanda ☐

Or

Worldwide ☐
Fund for Nature ☐
Red Cross ☐
Cancer Research ☐
Project ORBIS ☐
(an eye hospital in Asia)

ABOUT YOUR LIFESTYLE...

Which of the following do you use these days?

	Personally	For Business
Personal computer	<input type="checkbox"/>	<input type="checkbox"/>
Laptop/notebook/handheld computer	<input type="checkbox"/>	<input type="checkbox"/>
Electronic mail/fax	<input type="checkbox"/>	<input type="checkbox"/>
CD ROM	<input type="checkbox"/>	<input type="checkbox"/>
Cellular/mobile phone	<input type="checkbox"/>	<input type="checkbox"/>
Tele/video conferencing	<input type="checkbox"/>	<input type="checkbox"/>
The Internet/other on-line services	<input type="checkbox"/>	<input type="checkbox"/>
- for business and finance information	<input type="checkbox"/>	<input type="checkbox"/>
- for general information	<input type="checkbox"/>	<input type="checkbox"/>

Which, if any, of the following publications do you read regularly (at least 3 out of 4 issues)?

Financial Times	<input type="checkbox"/>	The Economist	<input type="checkbox"/>
USA Today	<input type="checkbox"/>	The European	<input type="checkbox"/>
The Asian Wall Street Journal	<input type="checkbox"/>	Far Eastern Economic Review	<input type="checkbox"/>
The Wall Street Journal Europe	<input type="checkbox"/>	Newsweek	<input type="checkbox"/>
BusinessWeek	<input type="checkbox"/>	Time	<input type="checkbox"/>

In the last 12 months did you...

	Yes	No
Play golf	<input type="checkbox"/>	<input type="checkbox"/>
Play tennis	<input type="checkbox"/>	<input type="checkbox"/>
Belong to a golf club	<input type="checkbox"/>	<input type="checkbox"/>
Belong to a sports/health club	<input type="checkbox"/>	<input type="checkbox"/>
Use a yacht/motor boat	<input type="checkbox"/>	<input type="checkbox"/>
Collect art/jewellery/antiques	<input type="checkbox"/>	<input type="checkbox"/>
Go to theatre/opera/concerts	<input type="checkbox"/>	<input type="checkbox"/>
Take two or more weekend breaks abroad	<input type="checkbox"/>	<input type="checkbox"/>

What is the make and model of your main car?

WRITE IN: _____

Is it... under 1999 cc ☐ 2000-3000 cc ☐ over 3000 cc ☐

How important is country of origin of manufacturer when choosing a new car?

Very important ☐ Fairly important ☐ Not important ☐

YOUR WORK...

Are you currently:

Working full/part time	<input type="checkbox"/>	A student	<input type="checkbox"/>
Not in full time work/other	<input type="checkbox"/>	Retired	<input type="checkbox"/>

What is your job title or position?

Owner/Partner	<input type="checkbox"/>	Politician	<input type="checkbox"/>
Chairman/President/CEO	<input type="checkbox"/>	Government Minister	<input type="checkbox"/>
Managing Director	<input type="checkbox"/>	Diplomat/Senior	<input type="checkbox"/>
Vice President	<input type="checkbox"/>	Government Official	<input type="checkbox"/>
General Manager	<input type="checkbox"/>	Other Senior Position	<input type="checkbox"/>
CEO/Finance Director	<input type="checkbox"/>	Other Manager	<input type="checkbox"/>
Treasurer	<input type="checkbox"/>	Professional (e.g. Medical/legal/education)	<input type="checkbox"/>
Other Director	<input type="checkbox"/>	Other job/position	<input type="checkbox"/>
Department Head	<input type="checkbox"/>	(WRITE IN)	
Consultant	<input type="checkbox"/>		

Are you the most senior executive in your organisation?

Yes ☐ No ☐

Are you on the Board of Directors

(a) of the company for which you work? Yes ☐ No ☐

(b) of a company other than the one for which you work? Yes ☐ No ☐

What is the main activity of your organisation?

Manufacturing/Engineering	<input type="checkbox"/>	Computing	<input type="checkbox"/>
Primary industry/Utilities	<input type="checkbox"/>	Telecommunications	<input type="checkbox"/>
Construction	<input type="checkbox"/>	Other business services	<input type="checkbox"/>
Wholesale/Retail	<input type="checkbox"/>	Education	<input type="checkbox"/>
Financial services	<input type="checkbox"/>	Legal	<input type="checkbox"/>
Publishing/Broadcasting/Printing	<input type="checkbox"/>	Medical	<input type="checkbox"/>
Travel/Tourism/Transportation	<input type="checkbox"/>	Government/Diplomatic	<input type="checkbox"/>
		Other (WRITE IN)	

How many people does your organisation employ?

	Country of residence	World-wide
Under 10	<input type="checkbox"/>	<input type="checkbox"/>
10-49	<input type="checkbox"/>	<input type="checkbox"/>
50-99	<input type="checkbox"/>	<input type="checkbox"/>
100-249	<input type="checkbox"/>	<input type="checkbox"/>
250-499	<input type="checkbox"/>	<input type="checkbox"/>
500-999	<input type="checkbox"/>	<input type="checkbox"/>
1000-4999	<input type="checkbox"/>	<input type="checkbox"/>
5000+	<input type="checkbox"/>	<input type="checkbox"/>

Does not operate outside your country of residence ☐

Which, if any, of the following do you do at an international level?

Export/Import goods	<input type="checkbox"/>
Raise capital funds	<input type="checkbox"/>
Manage company finances	<input type="checkbox"/>
Influence international business strategy or development	<input type="checkbox"/>
Invest funds	<input type="checkbox"/>
Manage staff abroad	<input type="checkbox"/>
Other international business activities	<input type="checkbox"/>

Please indicate for which of the goods or services listed below you are wholly or partly responsible for your company's decisions to purchase, lease or change suppliers?

Computers/Software	<input type="checkbox"/>
Telecommunication systems/Equipment/Services	<input type="checkbox"/>
Other office equipment/Technology	<input type="checkbox"/>
Company vehicles	<input type="checkbox"/>
Plant and equipment/Raw materials	<input type="checkbox"/>
Commercial banking services	<input type="checkbox"/>
Investment banking services	<input type="checkbox"/>
Other financial services	<input type="checkbox"/>
Business services	<input type="checkbox"/>
Courier/Freight services	<input type="checkbox"/>
Business premises/Industrial site selection	<input type="checkbox"/>

Which, if any, of the following categories of personal investments and financial services do you have or use?

Life insurance	<input type="checkbox"/>
Private banking	<input type="checkbox"/>
Private pension plan	<input type="checkbox"/>
Stocks or bonds	<input type="checkbox"/>
Government securities	<input type="checkbox"/>
Options, futures or investments in	<input type="checkbox"/>
- Gold/Precious metals	<input type="checkbox"/>
- Commodities	<input type="checkbox"/>
- Foreign currency	<input type="checkbox"/>
Mutual funds/Unit trusts/Investment funds	<input type="checkbox"/>
Property/Real estate (wholly owned)	<input type="checkbox"/>
Collectibles (Art, antiques, coins, stamps)	<input type="checkbox"/>

Thinking of all the above and any other investments, which comes closest to the total value in US\$ of your household's investments, including any wholly owned real estate/property?

\$50,000 or less	<input type="checkbox"/>	\$1 million	<input type="checkbox"/>
\$75,000	<input type="checkbox"/>	\$2 million	<input type="checkbox"/>
\$150,000	<input type="checkbox"/>	\$3 million	<input type="checkbox"/>
\$300,000	<input type="checkbox"/>	\$4 million	<input type="checkbox"/>
\$600,000	<input type="checkbox"/>	\$5 million or more	<input type="checkbox"/>

Which, if any, of the following cards do you use? (CHECK ALL THAT APPLY)

AMEX Gold/Platinum	<input type="checkbox"/>	Car rental card	<input type="checkbox"/>
AMEX Green	<input type="checkbox"/>	Airline executive club card	<input type="checkbox"/>
Visa Gold/Premier	<input type="checkbox"/>	International telephone calling cards:-	
Other Visa	<input type="checkbox"/>	- AT&T	<input type="checkbox"/>
Diners Club	<input type="checkbox"/>	- MCI	<input type="checkbox"/>
MasterCard Gold	<input type="checkbox"/>	- Sprint	<input type="checkbox"/>
Other MasterCard	<input type="checkbox"/>	Any other international calling cards	<input type="checkbox"/>
Any other card	<input type="checkbox"/>		

ABOUT YOU...

I am: Male ☐ Female ☐

Age: Under 25 ☐ 25-34 ☐ 35-44 ☐ 45-54 ☐ 55-64 ☐ 65+ ☐

Currently living in: _____ (country)

A Citizen/National of: _____ (country)

How many countries have you lived in for at least six months in the past ten years?

One	<input type="checkbox"/>	Two	<input type="checkbox"/>	Three	<input type="checkbox"/>
Four	<input type="checkbox"/>	Five+	<input type="checkbox"/>		

Educated to:

Doctorate	<input type="checkbox"/>	Standard	<input type="checkbox"/>
MBA	<input type="checkbox"/>	University Level	<input type="checkbox"/>
Higher University Degree Level	<input type="checkbox"/>	Secondary/High School	<input type="checkbox"/>

Approximate household income (pre-tax) in US\$ from all sources:

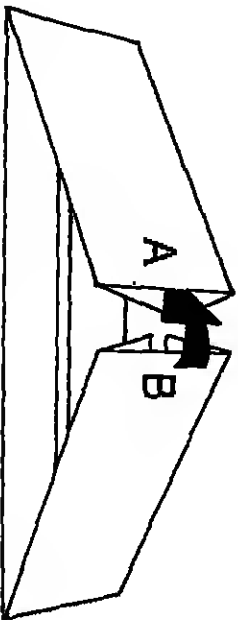
Up to \$30,000	<input type="checkbox"/>
\$30,000 to under \$50,000	<input type="checkbox"/>
\$50,000 to under \$100,000	<input type="checkbox"/>
\$100,000 to under \$150,000	<input type="checkbox"/>
\$150,000 to under \$200,000	<input type="checkbox"/>
\$200,000 to under \$300,000	<input type="checkbox"/>
\$300,000 to under \$500,000	

A

FIRST FOLD

SECOND FOLD

THIRD FOLD



FOLD IN SEQUENCE
First fold to Fourth fold.
Then tuck Flap B into Flap A.

FOURTH FOLD

B

By air mail
Par avion

IBRS/CCRI NUMBER: PHQ/D/591/HA
IF OUTSIDE EUROPE PLEASE AFFIX STAMP

Herald Tribune

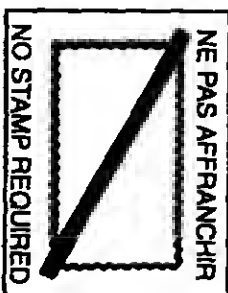
THE International Herald Tribune has donated around \$50,000 to charity, on behalf of our readers, in connection with periodic reader studies like this one.

PLEASE help us continue this important program by completing and forwarding the questionnaire on the reverse side of this sheet.

Our warmest thanks for your help.

REPONSE PAYEE
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EUROPE

Takeover Rumors Bolster Ferruzzi Stock For 2d Day

MILAN — Shares in Ferruzzi Finanziaria SpA leaped Wednesday for the second straight day as a mixture of takeover rumors and talk of shareholder banks jockeying for position swirled around the Milan Stock Exchange.

Late Monday, Gemina SpA canceled its plans to merge with Ferruzzi and parts of Fiat SpA to create a so-called SuperGemina conglomerate. Ferruzzi was to have received a cash injection from the merger to lighten its \$2 billion debt (\$1.24 billion) debt burden. Ferruzzi is now to ask shareholders to subscribe to a 1.05 trillion lire rights issue to help pay off some of the debt.

A rights issue, which dilutes the value of existing shares, would normally cause a company's stock to fall, but analysts said in this case, the merger cancellation caused the market to concentrate on Ferruzzi's own restructuring and possible sell-off or break-up by banks that hold most of its stock.

Ferruzzi shares rose 14 percent, to 1,229 lire Wednesday after rising 10 percent on Tuesday.

The shares were suspended three times on the Milan bourse to cope with the sharp rise.

Analysts said there was talk of a dispute brewing between one banking group led by Mediobanca SpA and a rival group led by Banco di San Paolo di Torino SpA.

Mediobanca wants Ferruzzi's restructuring to continue and the banks to remain supportive, analysts said, while San Paolo is thought to want another solution which might involve looking for a buyer.

Gianni Zandano, the president of San Paolo di Torino, which controls 16 percent of Ferruzzi, said Wednesday that "a takeover offer for Ferruzzi would be in the interest of shareholders. We would welcome it, but we aren't going to launch it."

Mediobanca arranged the 1993 rescue of Ferruzzi that led to the banks becoming shareholders. It also masterminded the proposed merger with Gemina.

A San Paolo spokesman said "there is no war. We may have our differences but no one is looking for a confrontation." (Reuters, Bloomberg)

Tulip Computers Plans Factories In Asian Markets

HONG KONG — Tulip Computers NV, planning to have factories in China and India to achieve the global scale needed to survive in the competitive personal computer market, the Dutch computer maker's Asian chief said Wednesday.

Tulip would set up assembly plants in China and India by the end of December, and full manufacturing operations by the end of 1996, said Hans Hartsuiker, the company's Asia chief.

Tulip decided last year it needed to globalize, Mr. Hartsuiker said. The company is one of the top 10 personal computer makers in Europe, but it is virtually invisible in the rest of the world.

"Tulip had been comfortable with our turnover and margins, but we decided to globalize in order to get economies of scale," Mr. Hartsuiker said in Hong Kong.

Otherwise, by 2000, Tulip would not have resources necessary to compete head to head with the world's personal computer giants, he said.

Tulip planned to assemble about 30,000 computers in China and 40,000 in India in 1996, and to manufacture up to 75,000 in China and 60,000 in India in 1997, Mr. Hartsuiker said.

The company forecast sales this year of 8,000 to 10,000 in China and at least 10,000 in India, he added.

Tulip currently produces its personal computers only in Europe, where it expects output to hit 250,000 to 300,000 units this year.

The company opened a Hong Kong office in March. It has offices in Beijing and Shanghai in China, and plans to open another in Guangzhou shortly, as well as offices in Bangalore, Delhi, Bombay, Madras and Hyderabad in India.

Mr. Hartsuiker said Tulip also planned to establish 18 showrooms and three integration centers in China.

The centers, similar to those Tulip has in Europe, would each contain 100 to 150 computers so that potential customers could try out network software and configurations.

Tulip also planned four sales centers in India, he added.

The China assembly plant would be set up in Shenzhen, across the border from Hong Kong, but the manufacturing plant would probably be set up near Beijing or Shanghai, Mr. Hartsuiker said.

He refused to specify how much Tulip was investing, saying only that it would spend what was needed.

SmithKline Gets Boost From New Products

LONDON — SmithKline Beecham PLC, Britain's second-largest drugmaker, said Wednesday that third-quarter pretax profit rose 9 percent, to £310 million (\$499.1 million), and that the rise had been fueled by new-product growth.

The results were within analysts' expectations, which had ranged from £305 million to £330 million.

The company said its sales had risen 16 percent, to £1.78 billion.

SmithKline shares closed at 674.5 pence in London trading, up from 663 pence on Tuesday and up from 656 pence prior to the earnings announcement.

Chief Executive Ian Leschly said the company was on track to meet 1995 financial goals. He said that new products continued to show strong growth, more than offsetting the expected decline in prescription sales in the United States, while operating efficiency gains boosted margins.

The company released an over-the-counter version of its ulcer drug Tagamet, which competes with Pepcid, owned by Johnson & Johnson and Merck & Co.

Sales of Kytril, a cancer treatment drug, were up 40 percent after an oral formulation became widely available.

The anti-depressant Paxil was up 39 percent and sales of Havrix, the world's first hepatitis A vaccine, rose 64 percent.

(Bloomberg, AFP, Reuters)

Investor's Europe				
Frankfurt DAX		London FTSE 100 Index	Paris CAC 40	
2300		3600	2100	
2200		3500	2000	
2140		3450	1900	
2060		3300	1800	
1980		3150	1700	
1900		3000	1600	
M J J A S O		M J J A S O	M J J A S O	
1995		1995	1995	
Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	EOE	455.23	452.56	+0.59
Brussels	Stock Exchange	7,760.84	7,698.28	+0.88
Frankfurt	DAX	2,150.13	2,113.60	+1.73
Copenhagen	Stock Market	358.85	358.40	+0.46
Helsinki	HEX Generali	1,934.71	1,943.66	-0.46
Oslo	OBX	408.50	406.24	+0.56
London	FTSE 100	3,537.80	3,535.30	+0.07
Madrid	Stock Exchange	293.85	290.85	+1.03
Milani	MIBTEL	9,090.00	9,051.00	+0.43
Paris	CAC 40	1,764.12	1,724.21	+2.31
Stockholm	SX 16	1,878.94	1,890.54	-0.72
Vienna	ATX	903.80	891.70	+1.33
Zurich	SP1	1,999.05	1,988.02	+0.50

Source: Teletext

International Herald Tribune

For Retailer, Breaking Up Is the Easy Way Out

By Jennifer Steinhauer
New York Times Service

NEW YORK — Melville Corp., is the latest and one of the largest retail companies to heed the demands of shareholders and finally accept the more-is-too-much philosophy.

Wary of institutional shareholders gnawing at its heels, Melville, one of the top 10 U.S. retailers, said on Tuesday that it planned a major reorganization by selling two of its chains and packaging the other seven into three separate, publicly traded companies.

The core of the new Melville

will be CVS, a drugstore chain with 1,356 stores nationwide and \$4.3 billion in sales, and two small but promising units, Linens 'n' Things, a housewares business, and Bob's, a small chain that sells casual clothing.

Melville's shoe businesses, Footaction, Thom McAn Shoe Co. and Melsco, will be consolidated to form a new company, Kay-Bee Toys, its mall-based toy chain, will be spun off as another.

The company also plans to sell Wilsons, a leather-goods retailer that has been a drag on profits, and This End Up, a fur-

ture chain. Shareholders will get an as-yet undetermined amount of stock in each of the new companies.

"We looked at several alternatives, and we feel this is a much clearer and focused way for people to look at our business," said Stanley P. Goldstein, chairman of Melville. "It will provide all three companies with strong balance sheets, and it will take costs off."

While most analysts considered creation of the three companies a move in the right direction, some grumbled that Melville should have smelled the coffee long ago. Two credit-

rating agencies, Moody's Investors Service and the Standard & Poor's Corp., put the company on review for a possible downgrade.

Melville, which is based in Rye, New York, is the latest and one of the largest retail companies to finally accept the more-is-too-much philosophy. One way to satisfy shareholders demanding better returns — and therefore better stock performance — is to separate the winners in a company from the losers and allow management to be able to concentrate on a narrower range of businesses. "Whether this was a good

thing or a bad thing, it was a necessary thing," said Barry Bryant, the senior director of institutional equity sales at Rodman & Renshaw Inc., a brokerage house. "The retail conglomerates have proven to be abysmal failures in almost every case."

The company will take a \$585 million charge in the fourth quarter to pay for the restructuring, on top of a previously disclosed charge of \$195 million it is taking for the sale of Marshalls, its lackluster off-price retail chain, to the TJX Cos.

Institutional shareholders such as the California Public Employees' Retirement System and the Council of Institutional Investors have been leaning on Melville to increase its returns to investors, which have been depressed over the past several years by lagging sales in many of its chains.

The Reshaping of Melville: Dividing One Retailer Into Three

A DRUGSTORE HOLDINGS COMPANY

CVS A drugstore chain with 1,356 stores in 15 states and Washington. 1994 REVENUE \$4.3 billion EMPLOYEES 37,000 HEADQUARTERS Woonsocket, R.I. ACQUIRED BY MELVILLE 1989

Linens 'n' Things A specialty retailer with 146 stores in 27 states. 1994 REVENUE \$440 million EMPLOYEES 5,400 HEADQUARTERS Clifton, N.J. ACQUIRED BY MELVILLE 1983

Bob's A casual clothing and footwear store with 34 stores in 7 states. 1994 REVENUE \$289 million EMPLOYEES 3,300 HEADQUARTERS Meriden, Conn. ACQUIRED BY MELVILLE 1990

Source: Company reports

A TOY COMPANY

Kay-Bee Operates 1,012 stores nationwide and in Puerto Rico. 1994 REVENUE \$1.0 billion EMPLOYEES 9,400 HEADQUARTERS Pittsfield, Mass. ACQUIRED BY MELVILLE 1981

OTHER PLANS

To sell Wilsons, a leather goods retailer, and This End Up, a furniture chain. Melville also said that Bob's and Linens 'n' Things could become stand-alone chains.

A FOOTWEAR COMPANY

Mellico Runs footwear departments in 2,176 Kmart stores and 389 Payless drugstores. 1994 REVENUE \$1.3 billion EMPLOYEES 11,000 HEADQUARTERS Mahwah, N.J. STARTED BY MELVILLE 1981

Footaction Sells athletic shoes and clothes at 439 stores in 43 states and Puerto Rico. 1994 REVENUE \$332 million EMPLOYEES 4,200 HEADQUARTERS Dallas, Texas ACQUIRED BY MELVILLE 1991

Thom McAn Operates 310 shoe stores in 19 states, the Virgin Islands and Puerto Rico. 1994 REVENUE \$227 million EMPLOYEES 2,800 HEADQUARTERS Worcester, Mass. ACQUIRED BY MELVILLE More than 50 years ago

The New York Times

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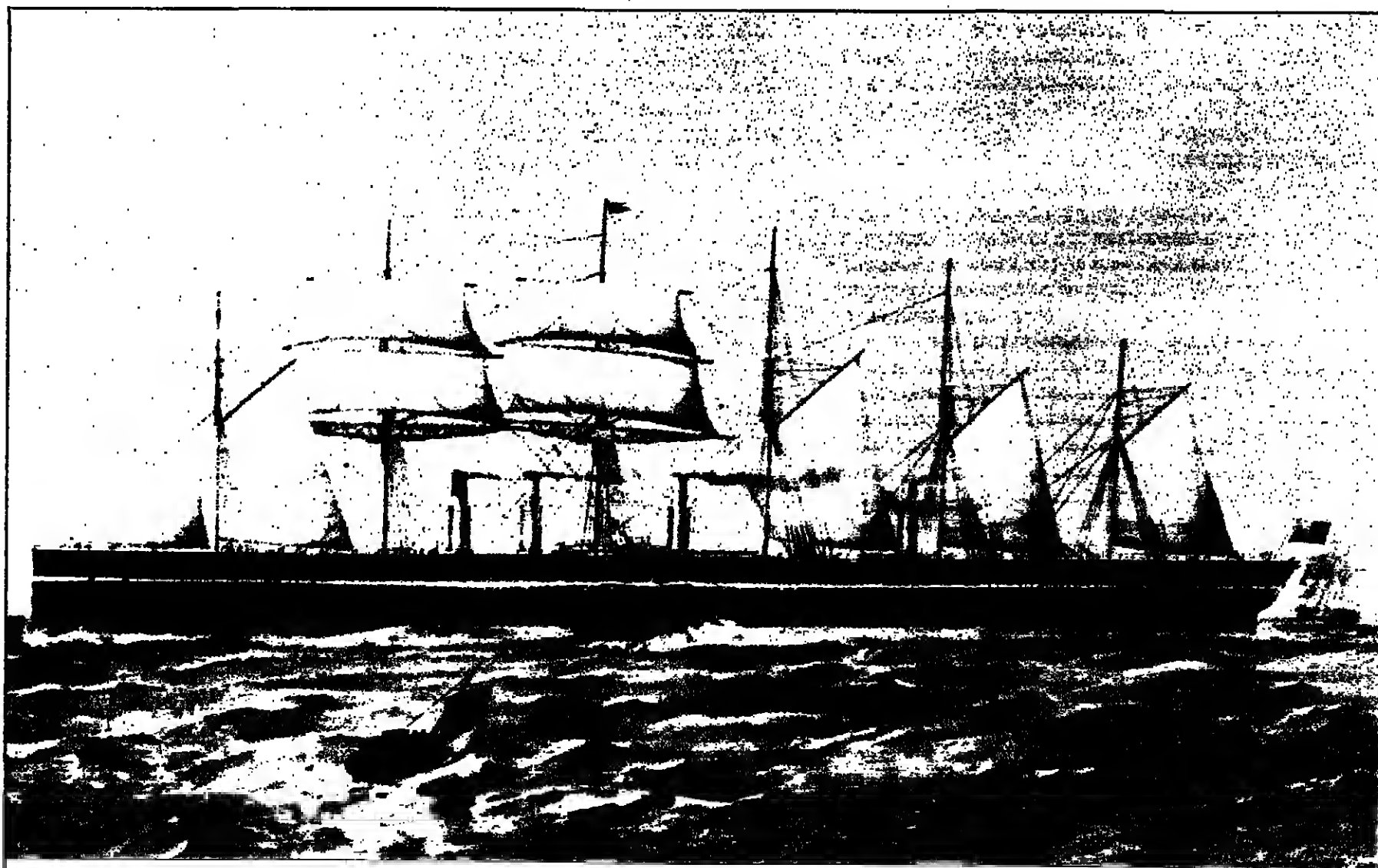
Wednesday's 4 p.m.
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

12 Month	High	Low	Stock	Div	Yld	PE	100	High	Low	Stock	Div	Yld	PE	100	High	Low	Stock	Div	Yld	PE	100	High	Low	Stock	Div	Yld	PE	100
12.00	100.00	95.00	IBM	4.00	4.00	15.00	100	100.00	95.00	IBM	4.00	4.00	15.00	100	100.00	95.00	IBM	4.00	4.00	15.00	100	100.00	95.00	IBM	4.00	4.00	15.00	100

CONVENTIONAL wisdom was that wood floated and iron sank. It took, therefore, an unshakeable belief in his own vision for I.K. Brunel to forge ahead and launch his magnificent iron creation "The Great Eastern".

When the founders of Airbus Industrie opened for business they were in much the same boat, facing a tide of scepticism.

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"There is no Substitute for a Wooden Hull."

Report on Admiralty Trials, Woolwich, 1830.

Airbus Industrie is at the top of the civil aircraft makers' league. 1.4 billion passengers have been carried by customer airlines. Tens of thousands of highly skilled jobs have been created, not just within the four founding countries but throughout

Europe, the USA and the rest of the world. Annual turnover is now in the region of \$9 billion. Which goes to show what EXTRAORDINARY THINGS CAN BE ACHIEVED when you're prepared to make a few waves.

AIRBUS INDUSTRIE
SETTING THE STANDARDS

Wednesday's 4 P.m. Close

Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

[illegible]

Year	Month	High	Low	Stock	Do	Yd	Pr	Sh
1960	1	10.00	9.00	1000	1000	1000	1000	1000
1960	2	10.00	9.00	1000	1000	1000	1000	1000
1960	3	10.00	9.00	1000	1000	1000	1000	1000
1960	4	10.00	9.00	1000	1000	1000	1000	1000
1960	5	10.00	9.00	1000	1000	1000	1000	1000
1960	6	10.00	9.00	1000	1000	1000	1000	1000
1960	7	10.00	9.00	1000	1000	1000	1000	1000
1960	8	10.00	9.00	1000	1000	1000	1000	1000
1960	9	10.00	9.00	1000	1000	1000	1000	1000
1960	10	10.00	9.00	1000	1000	1000	1000	1000
1960	11	10.00	9.00	1000	1000	1000	1000	1000
1960	12	10.00	9.00	1000	1000	1000	1000	1000
1961	1	10.00	9.00	1000	1000	1000	1000	1000
1961	2	10.00	9.00	1000	1000	1000	1000	1000
1961	3	10.00	9.00	1000	1000	1000	1000	1000
1961	4	10.00	9.00	1000	1000	1000	1000	1000
1961	5	10.00	9.00	1000	1000	1000	1000	1000
1961	6	10.00	9.00	1000	1000	1000	1000	1000
1961	7	10.00	9.00	1000	1000	1000	1000	1000
1961	8	10.00	9.00	1000	1000	1000	1000	1000
1961	9	10.00	9.00	1000	1000	1000	1000	1000
1961	10	10.00	9.00	1000	1000	1000	1000	1000
1961	11	10.00	9.00	1000	1000	1000	1000	1000
1961	12	10.00	9.00	1000	1000	1000	1000	1000
1962	1	10.00	9.00	1000	1000	1000	1000	1000
1962	2	10.00	9.00	1000	1000	1000	1000	1000
1962	3	10.00	9.00	1000	1000	1000	1000	1000
1962	4	10.00	9.00	1000	1000	1000	1000	1000
1962	5	10.00	9.00	1000	1000	1000	1000	1000
1962	6	10.00	9.00	1000	1000	1000	1000	1000
1962	7	10.00	9.00	1000	1000	1000	1000	1000
1962	8	10.00	9.00	1000	1000	1000	1000	1000
1962	9	10.00	9.00	1000	1000	1000	1000	1000
1962	10	10.00	9.00	1000	1000	1000	1000	1000
1962	11	10.00	9.00	1000	1000	1000	1000	1000
1962	12	10.00	9.00	1000	1000	1000	1000	1000
1963	1	10.00	9.00	1000	1000	1000	1000	1000
1963	2	10.00	9.00	1000	1000	1000	1000	1000
1963	3	10.00	9.00	1000	1000	1000	1000	1000
1963	4	10.00	9.00	1000	1000	1000	1000	1000
1963	5	10.00	9.00	1000	1000	1000	1000	1000
1963	6	10.00	9.00	1000	1000	1000	1000	1000
1963	7	10.00	9.00	1000	1000	1000	1000	1000
1963	8	10.00	9.00	1000	1000	1000	1000	1000
1963	9	10.00	9.00	1000	1000	1000	1000	1000
1963	10	10.00	9.00	1000	1000	1000	1000	1000
1963	11	10.00	9.00	1000	1000	1000	1000	1000
1963	12	10.00	9.00	1000	1000	1000	1000	1000
1964	1	10.00	9.00	1000	1000	1000	1000	1000
1964	2	10.00	9.00	1000	1000	1000	1000	1000
1964	3	10.00	9.00	1000	1000	1000	1000	1000
1964	4	10.00	9.00	1000	1000	1000	1000	1000
1964	5	10.00	9.00	1000	1000	1000	1000	1000
1964	6	10.00	9.00	1000	1000	1000	1000	1000
1964	7	10.00	9.00	1000	1000	1000	1000	1000
1964	8	10.00	9.00	1000	1000	1000	1000	1000
1964	9	10.00	9.00	1000	1000	1000	1000	1000
1964	10	10.00	9.00	1000	1000	1000	1000	1000
1964	11	10.00	9.00	1000	1000	1000	1000	1000
1964	12	10.00	9.00	1000	1000	1000	1000	1000
1965	1	10.00	9.00	1000	1000	1000	1000	1000
1965	2	10.00	9.00	1000	1000	1000	1000	1000
1965	3	10.00	9.00	1000	1000	1000	1000	1000
1965	4	10.00	9.00	1000	1000	1000	1000	1000
1965	5	10.00	9.00	1000	1000	1000	1000	1000
1965	6	10.00	9.00	1000	1000	1000	1000	1000
1965	7	10.00	9.00	1000	1000	1000	1000	1000
1965	8	10.00	9.00	1000	1000	1000	1000	1000
1965	9	10.00	9.00	1000	1000	1000	1000	1000
1965	10	10.00	9.00	1000	1000	1000	1000	1000
1965	11	10.00	9.00	1000	1000	1000	1000	1000
1965	12	10.00	9.00	1000	1000	1000	1000	1000
1966	1	10.00	9.00	1000	1000	1000	1000	1000
1966	2	10.00	9.00	1000	1000	1000	1000	1000
1966	3	10.00	9.00	1000	1000	1000	1000	1000
1966	4	10.00	9.00	1000	1000	1000	1000	1000
1966	5	10.00	9.00	1000	1000	1000	1000	1000
1966	6	10.00	9.00	1000	1000	1000	1000	1000
1966	7	10.00	9.00	1000	1000	1000	1000	1000
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1966	10	10.00	9.00	1000	1000	1000	1000	1000
1966	11	10.00	9.00	1000	1000	1000	1000	1000
1966	12	10.00	9.00	1000	1000	1000	1000	1000
1967	1	10.00	9.00	1000	1000	1000	1000	1000
1967	2	10.00	9.00	1000	1000	1000	1000	1000
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1967	9	10.00	9.00	1000	1000	1000	1000	1000
1967	10	10.00	9.00	1000	1000	1000	1000	1000
1967	11	10.00	9.00	1000	1000	1000	1000	1000
1967	12	10.00	9.00	1000	1000	1000	1000	1000
1968	1	10.00	9.00	1000	1000	1000	1000	1000
1968	2	10.00	9.00	1000	1000	1000	1000	1000
1968	3	10.00	9.00	1000	1000	1000	1000	1000
1968	4	10.00	9.00	1000	1000	1000	1000	1000
1968	5	10.00	9.00	1000	1000	1000	1000	1000
1968	6	10.00	9.00	1000	1000	1000	1000	1000
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1968	10	10.00	9.00	1000	1000	1000	1000	1000
1968	11	10.00	9.00	1000	1000	1000	1000	1000
1968	12	10.00	9.00	1000	1000	1000	1000	1000
1969	1	10.00	9.00	1000	1000	1000	1000	1000
1969	2	10.00	9.00	1000	1000	1000	1000	1000
1969	3	10.00	9.00	1000	1000	1000	1000	1000
1969	4	10.00	9.00	1000	1000	1000	1000	1000
1969	5	10.00	9.00	1000	1000	1000	1000	1000
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1969	9	10.00	9.00	1000	1000	1000	1000	1000
1969	10	10.00	9.00	1000	1000	1000	1000	1000
1969	11	10.00	9.00	1000	1000	1000	1000	1000
1969	12	10.00	9.00	1000	1000	1000	1000	1000
1970	1	10.00	9.00	1000	1000	1000	1000	1000
1970	2	10.00	9.00	1000	1000	1000	1000	1000
1970	3	10.00	9.00	1000	1000	1000	1000	1000
1970	4	10.00	9.00	1000	1000	1000	1000	1000
1970	5	10.00	9.00	1000	1000	1000	1000	1000
1970	6	10.00	9.00	1000	1000	1000	1000	1000
1970	7	10.00	9.00	1000	1000	1000	1000	1000
1970	8	10.00	9.00	1000	1000	1000	1000	1000
1970	9	10.00	9.00	1000	1000	1000	1000	1000
1970	10	10.00	9.00	1000	1000	1000	1000	1000
1970	11	10.00	9.00	1000	1000	1000	1000	1000
1970	12	10.00	9.00	1000	1000	1000	1000	1000
1971	1	10.00	9.00	1000	1000	1000	1000	1000
1971	2	10.00	9.00	1000	1000	1000	1000	1000
1971	3	10.00	9.00	1000	1000	1000	1000	1000
1971	4	10.00	9.00	1000	1000	1000	1000	1000
1971	5	10.00	9.00	1000	1000	1000	1000	1000
1971	6	10.00	9.00	1000	1000	1000	1000	1000
1971	7	10.00	9.00	1000	1000	1000	1000	1000
1971	8	10.00	9.00	1000	1000	1000	1000	1000
1971	9	10.00	9.00	1000	1000	1000	1000	1000
1971	10	10.00	9.00	1000	1000	1000	1000	1000
1971	11	10.00	9.00	1000	1000	1000	1000	1000
1971	12	10.00	9.00	1000	1000	1000	1000	1000
1972	1	10.00	9.00	1000	1000	1000	1000	1000
1972	2	10.00	9.00	1000	1000	1000	1000	1000
1972	3	10.00	9.00	1000	1000	1000	1000	1000
1972	4	10.00	9.00	1000	1000	1000	1000	1000

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Continued on Page 20

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Daiwa Shares Fall On Fear Bank Will Lose Clients

Bloomberg Business News

OSAKA, Japan — Shares in Daiwa Bank Ltd. tumbled Wednesday as news that a Japanese pension fund manager would halt the flow of new funds to the bank fueled concern that Daiwa would lose customers.

Daiwa stock fell 28 yen, or 4 percent, to 622 yen (\$6.21). The shares have fallen 26 percent since Yoshihide Iguchi, a bond trader at Daiwa's New York office, was charged with falsifying records in connection with \$1.1 billion in losses from unauthorized trading.

That revelation has been followed by a string of charges that bank executives, along with the Japanese Finance Ministry, concealed the losses from U.S. authorities.

The Pension Fund Association said it had stopped giving new funds to Daiwa Bank and that it may reduce the amount of money allotted to the bank. The association is waiting for the results of the investigation of the trading loss before it decides how much money it will let Daiwa manage, a spokesman said.

Daiwa controls the largest portion, 350 billion yen, or 18 percent, of the association's pension money. The official said the association may reduce that share by as much as 15 percent. Analysts said if other pension funds follow suit, it would hurt Daiwa Bank's earnings, though not by much. Pension-fund management accounted for about 8 percent of Daiwa's profit.

The scandal has shaken confidence in Japanese institutions, leading to a so-called Japan premium. That is the extra money Japanese companies now have to pay to borrow funds abroad.

Fiji Press reported that Japanese banks now have to pay 70 basis points, or seven-tenths of a percentage point, more when borrowing money than similar companies from other countries.

Finance Minister Masayoshi Takemura of Japan said Wednesday that the quickest way for banks to reduce the Japan premium is to learn from Daiwa Bank's mistakes and to resolve their trillions of yen in problem loans.

On Display: Autos from the U.S.A. High Profile for Detroit's Big 3 at Tokyo Auto Show

By Andrew Pollack
New York Times Service

TOKYO — In years past, American automobile executives came to the Tokyo Motor Show to see the latest competitive challenges they would be facing from Japan. But at this year's show, which opened Wednesday, American automakers will be exhibiting as much as looking.

For the first time, the Big Three are displaying numerous car and truck models to sell in Japan, beginning in 1996, with steering wheels on the right side.

Chrysler Corp. is showing four new right-hand-drive models: the Jeep Grand Cherokee, Jeep Wrangler, Neon and Voyager mini-van. Ford is showing right-hand-drive Taurus and Explorer sports-utility vehicles. Toyota Motor Corp. dealers will sell General Motors' Chevrolet Cavalier as the Toyota Cavalier.

Until now, Detroit offered only two right-hand-drive vehicles in Japan: the Chrysler Jeep Cherokee and the Ford Probe.

The new American onslaught comes only a few months after the United States and Japan forged a trade agreement intended to increase sales of American cars and parts in Japan. It also comes as sales of imported cars are rising in Japan, helped by a price advantage resulting from the strong yen.

Detroit's new Japan-bound cars could slightly reduce the \$37 billion U.S. trade deficit with Japan in autos and parts. Not all the benefit, how-

ever, will go to the United States. The Chrysler mini-van and Grand Cherokee will be made in Austria. GM executives said Tuesday that they expected the company's German subsidiary, Adam Opel AG, to account for 80,000 of the 100,000 cars that GM expects to sell in Japan annually by 2000. The company's president, John F. Smith Jr., said the 100,000 target would probably be raised.

American executives gave the trade deal some credit for helping open the market. Robert J. Eaton, Chrysler's chairman, called the accord "another step absolutely in the right direction." He added: "We believe the barriers will come down, and this will ultimately be an open market."

But Louis R. Hughes, executive vice president in charge of international operations for GM, said: "There's no agreement in the world that's going to legislate our growth in Japan. We're going to have to earn it." He said American companies had ignored the Japanese market until now.

That certainly seemed the case at the last Tokyo Motor Show two years ago, when Chrysler did not exhibit its brand new Neon, a subcompact designed to compete with small Japanese cars.

Chrysler said then that it had no immediate plans to sell the Neon in Japan, a statement that Japanese officials seized upon as showing the Big Three's lack of commitment to the Japanese market.

This year, the Neon is here and will go on sale in the summer. How well it will do depends on whether its quality meets Japanese standards and on its price, which Chrysler has not announced. Mr. Eaton said that the company had no interest in "undercutting anybody else."

The Neon, with a 2-liter engine, has a \$10,000 base price in the United States. If it is sold at \$15,000 in Japan, it would still be competitive. The Nissan Sunny, with a 1.6-liter engine — a car marketed as the Sentra in the United States — sells for \$15,000 in Japan.

The American car that is conspicuously absent at this year's motor show is GM's Saturn, another vehicle designed to compete with Japanese brands. GM executives said they intended to sell a right-hand-drive Saturn in Japan in 1997 but did not think they should display the car until it was ready for sale. GM executives also said they would introduce a right-hand-drive Cadillac in a couple of years.

General Motors' North American division has lagged behind Ford and Chrysler in Japan. Sales of North American-made GM cars in Japan through September totaled 6,888, up only 3.56 percent from a year earlier. Ford's sales have risen 29.5 percent to 11,209 vehicles, and Chrysler's, 6.3 percent to 11,478.

But GM's Opel division, which has numerous small right-hand-drive cars suited to Japan, has seen its sales rise to an expected 30,000 this year from less than 1,400 in 1992.

Firms United on Pollution

Bloomberg Business News

TOKYO — Chief executives from Japanese and U.S. automakers vowed Wednesday to continue working together to fight tightened pollution standards in the United States.

They made little progress, however, in resolving differences on trade issues during their first meeting since May 1992.

"It was cordial and constructive," said Alex Trotman, chairman of Ford Motor Co. "It's better to talk with each other than not talk with each other."

Trade associations for both sides said they would work together to fight a clean-air mandate in California, which requires 2 percent of the cars sold in the state be smog-free by 1998. New York and Massachusetts have similar laws. U.S. executives, in Japan for the 31st annual Tokyo Motor Show, wanted to talk about measuring the success of a trade agreement the two governments reached in June. But the Japanese did not.

"We do have a difference of opinion on market access in Japan," said Andrew Card Jr., president and chief executive of the American Automobile Manufacturers Association.

Chief executives of the Big Three U.S. auto makers met their counterparts at Toyota Motor Corp., Nissan Motor Co., Mazda Motor Corp., Honda Motor Co. and Mitsubishi Motors Corp.

Chips Help Lift Fujitsu Net

Compiled by Our Staff From Dispatches

TOKYO — Fujitsu Ltd. said Wednesday that first-half profit soared from a year earlier because of booming sales of computer chips and cellular phones. In the six months to Sept. 30, Fujitsu's group net profit jumped to 30.5 billion yen (\$305 million) from 5.6 billion yen in the comparable period last year.

In the first six months, Fujitsu's sales increased to 1.64 trillion yen from 1.48 trillion yen a year earlier. Semiconductor sales jumped nearly 14 percent, to 210 billion yen.

The company said it expected sales of semiconductors and communications equipment, amid a global boom in personal computers and mobile phones, to remain robust throughout the second half, raising its profit to a record for the year to March 31.

For the year, the company forecast a pretax profit of 170.0 billion yen on revenue of 3.75 trillion, up from 3.61 trillion

forecast last month. "Strong demand for semiconductors, especially for memory chips, boosted our profits," Keizo Fukagawa, Fujitsu's senior vice president, said. "Good sales of communications equipment also helped improve our profits."

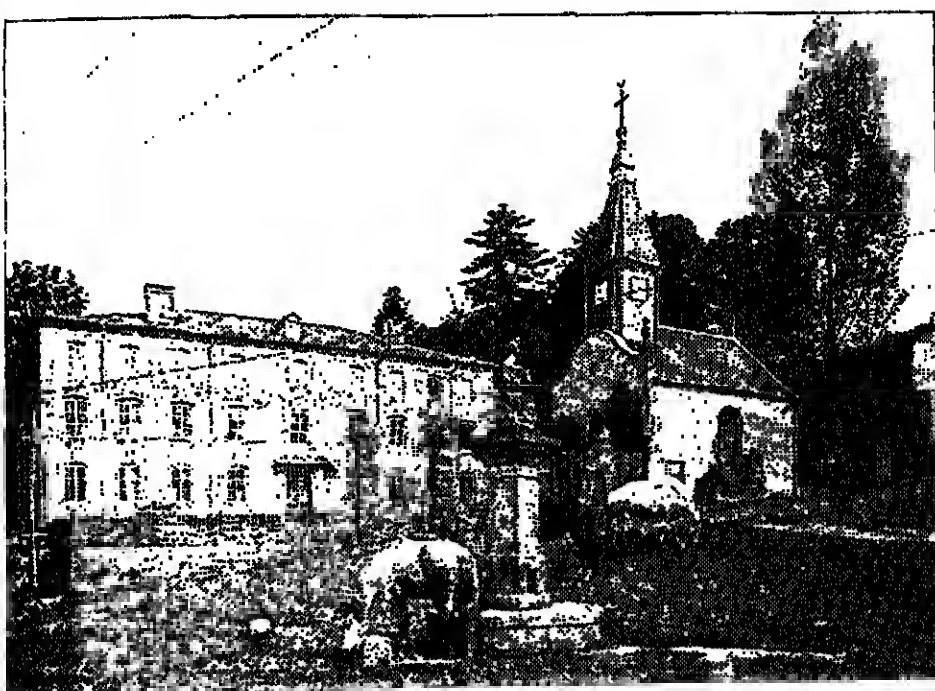
(Reuters, AFP, Bloomberg)

U.S. \$400,000,000 National Westminster Bank Floating Rate Capital Notes 2005

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from October 25, 1995 to April 25, 1996 the Notes will carry an interest rate of 5.9375% per annum. The interest payable on the relevant interest payment date, April 25, 1996 against Coupon No. 22 will be U.S. \$301.82.

By: The Chase Manhattan Bank, N.A.
London, Agent Bank
October 25, 1995

PUBLIC AUCTION CHATEAU DE LA MANUFACTURE AT BAINS-LES-BAINS, VOSGES (88), FRANCE



Including the entire furnishings of about thirty rooms: living rooms, dining room, billiard room, library-study, office, bedrooms etc. Made up essentially of numerous 17th, 18th and 19th century paintings. Chandeliers, bronze pieces, candlesticks, andirons, bracket-lamps etc. Clocks, pottery and silverware. The entire contents of outbuildings and attics: early 19th century fire pump and horse-drawn wagons and manufactory accessories.

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EXHIBITION

On site from Saturday, October 21st until
Wednesday October 25th 1995 10 a.m. to 4:30 p.m.

AUCTION SALES

Saturday, October 28th at 2 p.m. - Sunday, October 29th at 2 p.m.

Location: Park "La Potinière", under a pavilion, provided by the "chaîne thermique du soleil" at Bain-les-Bains, where the exhibition will continue Friday, October 27th and the mornings of October 28th and 29th.

AUCTION SALES CONDUCTED BY:

Maitre Kohn
Auctioneer
16, rue Drouot
75009 Paris
Tel.: (33)-1 42 46 46 08

Maitre Guerin
Auctioneer
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NYSE

Wednesday's 4 p.m. Close
(Continued)

Symbol	Price	Change
IBM	100.00	+0.12
Microsoft	55.00	+0.25
Apple	45.00	+0.10
Oracle	35.00	+0.15
Sun	25.00	+0.20
HP	15.00	+0.05
Intel	10.00	+0.10
Motorola	5.00	+0.05
AT&T	4.00	+0.02
Verizon	3.00	+0.01
Comcast	2.00	+0.01
Time Warner	1.00	+0.01
News Corp.	0.50	+0.01
Disney	0.25	+0.01
Walt Disney	0.10	+0.01
Amgen	0.05	+0.01
Boeing	0.02	+0.01
Lockheed	0.01	+0.01
General Electric	0.01	+0.01
Westinghouse	0.01	+0.01
Rockwell International	0.01	+0.01
Boeing	0.01	+0.01
Lockheed	0.01	+0.01
General Electric	0.01	+0.01
Westinghouse	0.01	+0.01
Rockwell International	0.01	+0.01

Symbol	Price	Change
IBM	100.00	+0.12
Microsoft	55.00	+0.25
Apple	45.00	+0.10
Oracle	35.00	+0.15
Sun	25.00	+0.20
HP	15.00	+0.05
Intel	10.00	+0.10
Motorola	5.00	+0.05
AT&T	4.00	+0.02
Verizon	3.00	+0.01
Comcast	2.00	+0.01
Time Warner	1.00	+0.01
News Corp.	0.50	+0.01
Disney	0.25	+0.01
Walt Disney	0.10	+0.01
Amgen	0.05	+0.01
Boeing	0.02	+0.01
Lockheed	0.01	+0.01
General Electric	0.01	+0.01
Westinghouse	0.01	+0.01
Rockwell International	0.01	+0.01
Boeing	0.01	+0.01
Lockheed	0.01	+0.01
General Electric	0.01	+0.01
Westinghouse	0.01	+0.01
Rockwell International	0.01	+0.01

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On November 7th, the IHT will publish a Sponsored Section on

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THE INTERNATIONAL HERALD TRIBUNE

SPORTS

China Tour Lures Cycling's Top Riders For the Winner, \$50,000 Plus Duty-Free Shopping

By Samuel Abt
International Herald Tribune

HONG KONG — "I don't want to say I just came here for the shopping and the vacation," Max Sciandri said, smiling sheepishly since he had just admitted that, as quickly as he could say "duty free" he had bought a camera in the few hours since he arrived in Hong Kong. "Good selection here and you can bargain prices, not like Europe," he said. "You say, 'Too high' and start to leave, they grab you by the sleeve and lower the price."

Then he turned doubtful. "It's going to be an interesting race," he said, referring to the first Tour of China bicycle race. "Interesting and maybe unpredictable."

Sciandri, a 28-year-old Italian with the MG team, had to postpone the rest of his analysis of the 11-day, 500-kilometer (310-mile) race. "More shopping," he confessed. "But I'll be all business for the race once it starts."

Luckily for him, the Tour of China, which is sponsored by Kent cigarettes, does not begin until Thursday afternoon. That should leave the morning free for a visit to any of the hundreds of downtown shopping emporiums, all boasting half-price sales.

A 500-kilometer race, roughly two long daily stages in the Tour de France, does not sound like an ordeal able to be spread over 11 days from Hong Kong to Beijing. The organizers have scheduled extremely short races most days, including long transfers by plane.

First comes a 2.8-kilometer prologue in the Shaan district near the Royal Hong Kong Jockey Club race track. Fifteen teams, amateurs and some of the top professionals, will send out seven men each in the race against the clock Thursday.

On Friday, the Tour crosses the border into China, staging a 55-kilometer road race at Shenzhen and on Saturday travels to Guangzhou for a 145-kilometer stage, the longest scheduled. After two days off for travel and rest, the race resumes Tuesday in Shanghai with a 70-kilometer circuit race.

The next day will see another circuit race in Shanghai, this time over 76 kilometers. Then two more travel and rest days carry the Tour of China to Beijing for a 132-kilometer road race to the Great Wall on Nov. 4 and a 25-kilometer time trial in the city on Nov. 5.

Most riders who appeared at a news conference on Wednesday thought the two stages in Beijing would decide the winner.

"Both the fifth stage, which has some climbing, and the time trial should be hard, but I think

the fifth stage to the Great Wall will be decisive," said Daniele Nardello, an Italian with the Mapei team and the second-place finisher in the Tour of Lombardy last Saturday.

He is a favorite here, a status shared with Slava Ekimov, a Russian with the Novell team; Gianni Bugno, an Italian with the MG team; perhaps even Djankoldine Abdoujapparov, an Uzbek with the Novell team, and Sciandri.

All are names in professional bicycle racing, ranking among the top 20, as are their teams. Other big professional teams in the Tour of China include Castorama from France, Colnastrop from Belgium, and Saturn and U.S. Postal Service — until last weekend Montgomery — from the United States.

How did Medalist Offshore, the organizers, and British-American Tobacco, the sponsors through their Kent brand, lure them to the debut of a race at the end of the season when riders are exhausted?

The answer, as always, is money. The organizers, many of the same people who stage the Tour DuPont in the United States, learned years ago that a prize list two or three times higher than most European races will attract teams.

A total of \$200,000 will be available in prizes, with \$50,000 going to the winner and \$30,000 to the runner-up. A daily stage victory will be worth \$2,500.

That is a factor, said Mike Plant, the executive director of the race. He also stressed the benefits to Asians in watching their first professional stage race and being "able to see world-class athletes up close."

Steve Hegg, an American with the USPro team and the 1984 Olympic pursuit champion, agreed that the race would be worthwhile.

"The word is that it will be very interesting, very different," he said.

"The shortness of the stages, the lateness of the season will make it different. Speed is going to be a big factor."

Hegg discounted reports that China's roads, often unpaved and corrugated, would be a handicap.

"They can't be any worse than training in traffic anywhere around the world," he said.

Plus, as Sciandri could tell him, there is all that duty-free shopping.

Ekimov admitted that he brought his wife with him, virtually unheard-of at a bicycle race. "She wanted to come on vacation," he said.

Did he too? "No, no," he protested. "I have a good opportunity to win this race and any race I can win is important to me. For me this is no vacation. It's work."



Brian Skrudland, Panthers, and Mats Sundin, Maple Leafs, fighting for the puck.

Rangers Beat the Canucks In First Meeting Since '94 Healy Makes 25 Saves in 5-2 Victory

NEW YORK — Pat Verbeek and Niklas Sundstrom scored seven seconds apart in the first period, and Glenn Healy made 25 saves to lead the New York Rangers to a 5-2 victory over the Vancouver Canucks in the first meeting between the two clubs since the 1993-94 Stanley Cup finals.

The last time the Canucks skated in Manhattan they lost as the Rangers clinched their first National Hockey League championship in 54 years. The teams did not meet in last year's strike-shortened season.

Verbeek's fourth goal of the season, from a feed by Adam Graves at 9:29, broke a 1-1 tie. Graves had fanned on a shot but carried the puck behind the net and found Verbeek with a centering pass in front of Kirk McLean, the Vancouver goaltender.

Just seven seconds later, Sundstrom made it 3-1. He gained control from the faceoff, skated into the offensive zone and fired a slap shot past McLean from the left circle.

Dave Babych's powerplay goal for Vancouver, 2:16 into the final period, closed the deficit to 3-2, but Alexei Kovalev responded with an insurance goal for the Rangers with six minutes left.

"That team has a tremendous amount of firepower," said Healy, who made 25 saves, including 8 on Alexander Mogilyan and 4 on Pavel Bure, the Canucks' two Russian stars.

"They came in averaging about five goals per game," said Healy, who has won all three of his starts this season, allowing just four goals. "Give our defense a lot of credit."

Panthers 6, Maple Leafs 1: In Toronto, John Vanbiesbrouck made 34 saves and Brian Skrudland scored his first two goals of the season as the Florida Panthers stayed hot with a rout of the Maple Leafs.

The Panthers, who have won six of their last seven games, moved into a first-place tie with the New Jersey Devils in the Atlantic Division.

Vanbiesbrouck, who shut out Hartford on Saturday, allowed a powerplay goal by Larry Murphy in the first period but held Toronto scoreless the rest of the way. The 6-2 start is the best ever for the Panthers.

Senators 2, Red Wings 1: In Detroit, Tom Chorske's unassisted goal midway through the third period lifted the suddenly competitive Ottawa Senators to victory over the Red Wings.

Chorske, who was claimed on waivers from New Jersey on Oct. 5, intercepted a cross-ice pass from Detroit defenseman Bob Rouse and unloaded a slap shot from just inside the blue line that beat goalie Mike Vernon between the pads, breaking a 1-1 deadlock.

The victory was the fourth in five games for the Senators as Don Beaupre made 22 saves for Ottawa to become the most successful goalie in franchise history with 12 wins.

Stars 3, Sabres 0: In Dallas, Darcy Wakuluk turned back all 27 shots he faced to shut out the Buffalo Sabres.

Nikolai Borschevsky, Dave Gagner and Todd Harvey each scored for Dallas.

Wakuluk stopped 9 shots in the opening period, 8 in the second and 10 in the third for his eighth career shutout.

Derian Hatcher had two assists for the Stars and had set up goals in five consecutive games. Dominik Hasek allowed three goals on 35 shots for Buffalo.

SCOREBOARD

HOCKEY

NHL Standings

EASTERN CONFERENCE									
Team	W	L	T	Pts	GF	GA	Diff	Goalies	Record
New Jersey	4	1	0	8	13	25	11		
Pittsburgh	4	2	0	8	12	24	10		
Philadelphia	3	1	1	7	11	28	11		
N.Y. Rangers	3	2	0	6	10	28	11		
Washington	4	2	0	8	10	28	10		
Washington	3	3	0	6	19	22	11		
N.Y. Islanders	1	4	1	3	13	24	11		

WESTERN CONFERENCE

Team	W	L	T	Pts	GF	GA	Diff	Goalies	Record
San Jose	4	1	0	8	17	14	3		
Los Angeles	4	2	0	8	21	23	11		
Edmonton	3	2	0	6	24	21	3		
Pittsburgh	3	2	0	6	24	21	3		
San Jose	3	2	0	6	24	21	3		
San Jose	3	2	0	6	24	21	3		
San Jose	3	2	0	6	24	21	3		

MONDAY'S RESULTS

Team	W	L	T	Pts	GF	GA	Diff	Goalies	Record
N.Y. Rangers	1	0	1	3	1	0	1		
First Period: New York, Leach 3 (Gibson), Healy 1 (L), V. Verbeek 3 (Hedman, Linden) (L), 2. New York, Verbeek 3 (Groves, Hestler), 4. New York, Sundstrom 3 (Metchnikov), Second Period: None, Third Period: V. Verbeek 3 (Korovin, Korovin) (L), 4. New York, Korovin 3 (Richters), 7. New York, Hestler 2 (Verbeek) (L), 11-5-28, T. 14-7-14-25, Goalies: F. Vanbiesbrouck, V. Potvin, G. Healy.									

BASEBALL

ITALIAN CUP

ENGLISH LEAGUE CUP

THIRD ROUND

SCOTTISH LEAGUE CUP

QUARTER-FINALS, FIRST LEG

FOOTBALL

CHAMPIONSHIP

SECOND ROUND

THIRD ROUND

FOOTBALL

CHAMPIONSHIP

SECOND ROUND

THIRD ROUND

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THIRD ROUND

FOOTBALL

SIDELINES

Inter Chases Cantona

MANCHESTER — Manchester United soccer club resisted a further approach from Internazionale Milan for Eric Cantona on Tuesday, even in a swap deal for former United player Paul Ince.

Italian newspapers reported that Inter officials, who failed to land the controversial Frenchman during the summer, were preparing a £7 million offer when the Italian transfer market reopens for a week on Nov. 2.

United chairman Martin Edwards said: "Eric is not for sale at any price." (Reuters)

Operation for Shaq

ORLANDO — Shaquille O'Neal could be out for six to eight weeks after surgery on his right thumb. O'Neal sustained possible ligament damage in Tuesday's National Basketball Association exhibition between the Orlando Magic and Miami Heat. The regular season starts on Nov. 3. (AP)

Boxer Says He Spied

BONN — German heavyweight boxer Axel Schulz, who fought George Foreman for the IBF heavyweight title in April, said on Wednesday he had been forced by East Germany's Stasi secret police to spy for them while he was a citizen of the

Monsoon Slows India

MADRAS — India was 54 for one at the close of the first day of the second cricket test against New Zealand on Wednesday. India scored slowly, and play ended early because of monsoon rain and bad light. India leads the three-game series, 1-0. (Reuters)

Rangers Fall

GLASGOW — Aberdeen upset Glasgow Rangers 2-1 in a Scottish League Cup soccer semifinal at Hampden on Tuesday with goals from Billy Dods after 51 and 69 minutes. (Reuters)

Four Off, All Off

BELO HORIZONTE, Brazil — A South American Supercup soccer match between Cruzeiro and São Paulo was called off early in the second half after four Cruzeiro players were sent off and another pulled up, apparently with a calf injury.

The four were sent off at the end of the first half with São Paulo leading, 1-0. Cruzeiro defender Rogerio kicked an opponent and was shown the red card. Other Cruzeiro players surrounded the referee, who sent off defender Vanderlei and midfielders Fabiano and Marcelo. Early in the second half Cruzeiro's Luis Fernando Gomes pulled up, seemingly with a calf injury.

The team doctor said Gomes could not continue, forcing the referee to abandon the match as Cruzeiro, who had used all three substitutes, was down to six players; below the minimum. (Reuters)

DENNIS THE MENACE

PEANUTS

CALVIN AND HOBBES

WIZARD of ID

THE FAR SIDE

BLONDIE

DOONESBURY

BEETLE BAILEY

GARFIELD

JUMBLE

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THURSDAY, OCTOBER 26, 1995

PAGE 23

Another Happy Ending For the Indians at Home

Murray's Single Beats Braves in 11th

By Claire Smith
New York Times Service

CLEVELAND — The Cleveland Indians entered Game 3 of the World Series clinging to a life preserver known as Jacobs Field, a cozy park that has been home to many a heroic comeback for them, but nothing but horrors for visitors.

"It's a place we've played very well in the last two years," manager Mike Hargrove said, stating the obvious about a team with a 1995 regular-season record of 54-18 at home and a postseason record of 4-1 before Tuesday night's game. "I think it will mean everything in the world to us. I'm looking forward to it."

Now the Atlanta Braves know why. The National League champions, confident when they arrived here with two victories in two tries tucked away, clawed their way to a 6-6 tie through nine innings.

But this is Cleveland, where happy endings are meant for the home team. Eddie Murray, who had been 0 for 5, including three strikeouts, delivered a single in the 11th inning to score pinch-runner Alvaro Espinoza with the winning run in a 7-6 Indian victory. Carlos Baerga had led off the inning against Alejandro Peña, who had just come in, with a double and then Albert Belle had been walked intentionally.

It was the 29th time this season that the Indians had won in their final at-bat and the first time the Indians had won a game in the World Series since they beat the Boston Braves in 1948, having fallen victim to a sweep to the Giants the last time they were in the Series, in 1954.

The dramatic victory, played before a chilled sellout crowd of 43,584 fans, allowed the Indians to avoid falling behind by 3-0 in the Series. In the 91 years in which the Series has been played, no team has ever come back to win the championship after trailing by that deficit.

Cleveland was to turn to Ken Hill, a former National League pitcher with great familiarity with the Braves, to try to tie the series at two games each on Wednesday night. The Braves were to counter with Steve Avery as Bobby Cox stuck to his plan not to push Greg Maddux — the author of a two-hitter in Game 1 — on three days' rest.

Pitching, the hot commodity in the first two games of the series, failed both teams late in the game.

The Braves' bullpen tasted what so many others have in this park — an Indians' late-game rally when Kenny Lofton scored his third run of the game in the seventh after a walk issued by Brad Clontz, a groundout, a steal of third (naturally) and an infield hit by Baerga.

That made it 5-3 and meant that Lofton had scored six of the Indians' 10 runs in the Series to that point.

But the Braves did not give up. Hargrove kept a rested bullpen penned up even after Atlanta's Marquis Grissom led off the eighth with a double. The stubborn belief in Charles Nagy backfired when Luis Polonia delivered a run-scoring single.

Hargrove brought on relief pitcher Paul Assenmacher. He walked Chipper Jones. Then a long fly ball by Fred McGriffing error by the second baseman Baerga on a grounder by David Justice produced the Braves' fifth run.

Then, Julian Tavarez, the Indians' third pitcher of the inning, yielded a run-scoring hit to the pinch-hitter Mike Devereaux and the Braves had a 6-5 lead.

Atlanta's bullpen is human, too. Greg McMichael, the setup man for Mark Wohlers, got one out in the eighth, but then walked Manny Ramirez and gave up a single to Paul Sorrento. On came Wohlers, the

stopper in need of a big save. Sandy Alomar hit Wohlers' first pitch into the right-field corner and the game was tied.

The 49-degree Fahrenheit weather, which seemed like 29 degrees when huffed by gusts of 15 to 22 miles an hour, may have chilled the Braves to the bone. But it must have seemed a needed cold slap in the faces of the Indians, whose hitters sleep-walked through two losses in Atlanta in which they scored a total of five runs.

The Indians woke up early on. Trailing by 1-0 in the first, the Indians wasted no time in starting yet another of the comebacks they are famous for at home.

Lofton, who apparently cannot be denied a base-running opportunity, greeted John Smoltz with a leadoff single. The player who McGriff said wasn't being driven in by Indians hitters because he scored too fast, scored again, moments after his hit. He had help, this time, however, coming all the way around on a triple by Omar Vizquel, only the second extra-base hit of the Series for the Indians. Vizquel scored on Baerga's grounder to first to give the Indians a 2-1 edge.

The Indians needed the runs after the way the game had started for Nagy. The Braves scored in the top of the first on a two-out double by Jones and a run-scoring single by McGriff. The hit was the third in the Series at-bats for Jones, a possible rookie of the year who is showing no rookie nerves.

Nagy is the most overlooked starting pitcher of the Series thus far. He is a 16-game winner, but has been stacked up not only behind Atlanta's Cy Young winners (Greg Maddux, Tom Glavine), but also behind one of his own team (Orel Hershiser). Then there was the major league's active leader in victories (Dennis Martinez) and a former strikeout king in Smoltz.

Cleveland scored twice more in the third inning to finish off Smoltz and put Atlanta's little-used middle relievers back in business.

Belle, the cleanup hitter who had been encouraged by his teammates to break a bat, a telephone, anything, broke his slump, contributing a run-scoring single in the third, as the Indians leapt to a 4-1 lead.

Baerga broke an 0-for-8 Series slump with a run-scoring single. When Belle followed Baerga with his run-scoring single, the Indians had their third multiple-run inning of the Series, but their second of the night.

Nagy carried a four-hitter into the middle innings. The Braves did not score again until the sixth, when McGriff collected a solo home run, his drive redirecting the wind into the right-field seats to make it 4-2. A homer by Ryan Klesko in the seventh put the Braves within one run.



Ryan Klesko of the Braves hitting a home run off Charles Nagy in Game 3 of the World Series in Cleveland.

Eddie Murray Seizes His Moment

After Striking Out 5 Times, the DH Simply Strikes

By Thomas Boswell
Washington Post Service

In Game 3 of the World Series, Eddie Murray struck out in the third inning with men on base. Eddie Murray also struck out in the fifth with a man on base. Belle, Manny Ramirez and Jim Thome still don't have an RBI in this classic.

Sometimes, the score of the Series isn't as important as the feeling of the Series. This one is turning toward the Indians in a hurry. The Braves seemed to have them dead several times, especially when a run eighth gave Atlanta a 6-5 lead. However, the Braves' Bobby Cox managed by formula as so many managers do in this era. Instead of bringing in Mark Wohlers, his 102 mph closer, to start the eighth inning, he waited until two men were on base with one out. Then, he summoned his only truly dominant reliever.

It was just a bit too late. A Sandy Alomar groundball double that hit the rightfield chalk stripe was enough to tie the game. That's all Wohlers allowed in 2 2/3 innings. But it was enough. Tony LaRussa, then of Oakland, made the same dubious decision time in the 1990 Series when he had eighth-inning leads but wouldn't summon the great Dennis Eckersley because that was out his regular-season ritual who closers usually work only one inning. The World Series appears not to approve of formula managing. It prefers common sense. Rule One: If you have a great pitcher and the opportunity presents itself to win a vital game by using him, THEN WAVE YOUR ARM.

In 1985 and 1986, the St. Louis Cardinals and Boston Red Sox opened the Series with two quick victories. Yet, emotional defeat in Game 3 turned the tide. The Kansas City Royals and New York Mets came back to

nominate Cubs, Red Sox and old Indians could not have done a better job of trying to give away a monumentally vital game. The Indians had a 4-1 lead, but couldn't hold it. The Indians left multiple men on base in the seventh, eighth and 10th innings. Belle, Manny Ramirez and Jim Thome still don't have an RBI in this classic.

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In 1985 and 1986, the St. Louis Cardinals and Boston Red Sox opened the Series with two quick victories. Yet, emotional defeat in Game 3 turned the tide. The Kansas City Royals and New York Mets came back to

win in seven games. If that scenario should be followed this October, then Atlanta manager Bobby Cox will probably take a world record amount of heat.

As they say in baseball, everything changes everything. And this Indians victory certainly changes everybody's perspective on Cox's Maddux Decision. All day Monday and right up until the Indians came to bat in Game 3, Cox seemed like a patient, judicious, veteran baseball thinker.

Not a second-guess could be heard anywhere when Cox announced here that the most magnificent Brave of all — Greg Maddux — would start Game 5 of this World Series, rather than Games 4 and 7 on shortened rest.

Then, John Smoltz took the mound to start this game and got his brains beaten out. In 3 1/3 innings, he allowed four runs and left with the bases loaded. He bounced four balls. He laid fastballs down the pipe. He hung sliders. You could say Smoltz helped the Indians remember who they were.

St. Louis Cardinals for Sale
Anheuser-Busch said Wednesday that it was putting the St. Louis Cardinals baseball club up for sale to focus on its core businesses of beer, theme parks and aluminum cans. The Associated Press reported.

John Jacob, the brewery's communications officer, said Busch hoped to keep the club in St. Louis and was also selling Busch Stadium and its parking garages. "St. Louis fans are the best in baseball," he said. "They have been generous in support of the Cardinals and indeed in Anheuser-Busch."

Busch bought the Cardinals in February 1953 from Fred Saigh for \$2.5 million. The brewery also assumed \$1.25 million in Cardinals' debt.

Tapie Paid Referees, Manager Testifies

Compiled by Our Staff From Dispatches

DOUAI — Jean-Pierre Bernès, Olympique Marseille's former general manager, confirmed on Wednesday that Bernard Tapie, his former boss, had paid referees in European Cup matches and bought other French League matches.

Bernès was testifying on the second day of the appeal by Tapie, a former Socialist housing minister, against his two-year jail sentence (one year suspended) handed down on May 15 for bribing Valenciennes players to lose a match against Marseille.

Tapie admitted on Tuesday that he had met with the then Valenciennes coach but that it had nothing to do with fixing the match.

Also on Wednesday, the prosecutor, Luc Fremiot, told the appeal court that he believed that Tapie was guilty of corruption and interfering with a witness to cover up his role in the bribery scandal but called for the sentence to be reduced to four months in jail, with a further 14 months suspended.

It was not immediately clear why he wanted the sentence reduced.

In his testimony, Bernès said that Olympique Marseille had bought five or six league matches a season and several referees in their European Cup campaigns.

Bernès asserted in July that the club had spent 5 million to 6 million French francs (about a million dollars) a year bribing players and referees for both French league and European Cup matches.

Tapie's former confidant also confirmed that the former Nantes coach, Miroslav Blazevic, received money from Marseille. The money was to be paid to the Nantes players as an incentive for beating Bordeaux in 1990.

Bernès testified: "We paid Blazevic 420,000 French francs into a Swiss bank account via two false invoices."

The Croatian, who managed Nantes from 1989 to 1991, was arrested at Geneva airport last week on an international warrant.

Blazevic is currently the coach of the Croatian national team, which has already qualified for the finals of the European Championships in England in 1996.

Blazevic is the 14th man to have been detained by examining magistrate Pierre Philippon, who has been investigating the alleged use of slush funds by Marseille.

Fraud squad investigators believe that 110 million francs was siphoned off from 1985 to 1993, either to buy matches or referees or for personal gain.

Tapie is accused of setting up a network of front companies that were paid for fictitious services, or used for diverting television broadcasting rights, advertising revenue and transfer money.

Jean-Yves Lienard, Tapie's lawyer, accused Bernès of perpetrating the match fixing scandal and said his client had not initiated the corruption but had acquiesced after the fact to protect the club's image.

Lienard said Bernès was "capable of managing the whole affair without informing Tapie and he had made up all these lies to the Valenciennes magistrates because he was afraid of going to prison."

(AFP, Reuters)

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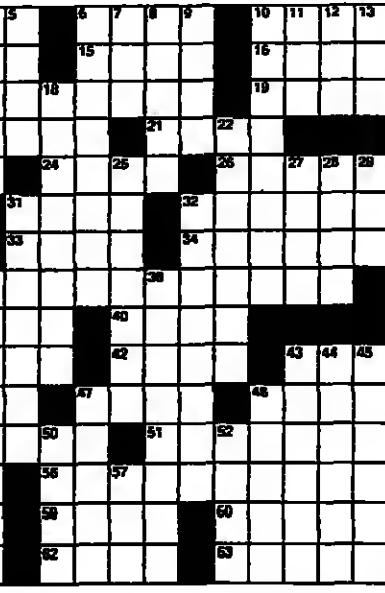
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14 Retailer R. H.

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20 1981 and '84 Super Bowl champs

21 Behind
23 Dist.
24 Make out
25 Stationary
26 Cartographer Tex
27 Pass (out)
28 After-dinner drink
29 Well-hearsaid
30 "The Name of the Rose"

31 Child's rhyme
32 Shapes into a garland
33 One giving a wake-up call
34 Kind of court
35 Moises or Felipe
36 Sporting event
37 Pink Floyd founder Barrett
38 Indy break
39 Captains of industry
40 Woody's boy
41 Ooep Throat, a.g.
42 Whistle cords
43 Jittery
44 Mo. clock setting
45 Carry (away)
46 Fix a seat
47 Ourable race horse

48 Particle
49 Malamute's burden
50 "Hey, you!"
51 Comic Lovitz
52 Wagner soprano
53 "—"
54 Hour for blowing taps



Solution to Puzzle of Oct. 25

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TODD EDIT SYNGIS

A Cold Snap for Batters

New York Times Service

CLEVELAND — Not everyone was concerned about low temperatures for the World Series games here. Steve Avery, the Braves Game 4 pitcher, is from Michigan.

"I pitched in cold a lot in the past," he said. "I like it. I think there have been more brokeo

bats in the first two games than all year. That tells me hitters can't like it a lot."

Another Braves pitcher, Mark Wohlers said, "I've pitched in the snow. I've pitched in 20-degree weather. People don't lose to the weather. The only thing that can beat us are the 25 guys in the other dugout."



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**Reviews**

Yehuda Amichai, Irreverent Poet of Jerusalem

PEOPLE

A Presley Homestead Slated for Memory Lane

WEATHER

PEOPLE

WEATHER

Forecast for Friday through Sunday, as provided by Accu-Weather.

Europe

Today

Tomorrow

	High	Low	High	Low	W
Prague	26/15	7/5	26/15	10/1	C
Amsterdam	24/17	10/3	24/17	11/2	C
London	23/15	10/3	24/17	11/2	C
Paris	23/15	10/3	24/17	11/2	C
Athens	14/22	12/5	14/22	13/5	C
Berlin	20/11	7/2	20/11	7/2	C
Madrid	21/12	8/4	21/12	8/4	C
Rome	17/22	7/4	17/22	8/1	C
Vienna	17/22	7/4	17/22	8/1	C
Stockholm	14/22	7/4	14/22	8/1	C
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Berlin	12/24	8/4	12/24	8/4	C
Madrid	12/24	8/4	12/24	8/4	C
Rome	12/24	8/4	12/24	8/4	C
Vienna	12/24	8/4	12/24	8/4	C
Stockholm	12/24	8/4	12/24	8/4	C
Bucarest	12/24	8/4	12/24	8/4	C
Copenhagen	12/24	8/4	12/24	8/4	C
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Dublin	12/24	8/4	12/24	8/4	C
Warsaw	12/24	8/4	12/24	8/4	C
Brussels	12/24	8/4	12/24	8/4	C
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Brussels	12/24	8/4	12/24	8/4	C
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Copenhagen	12/24	8/4	12/24	8/4	C
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Copenhagen	12/24	8/4	12/24	8/4	C
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Warsaw	12/24	8/4	12/24	8/4	C
Brussels	12/24	8/4	12/24	8/4	C
Oslo	12/24	8/4	12/24	8/4	C
Stockholm	12/24	8/4	12/24	8/4	C
Prague	12/24	8/4	12/24	8/4	C
Amsterdam	12/24	8/4	12/24	8/4	C
London	12/24	8/4	12/24	8/4	C
Paris	12/24	8/4	12/24	8/4	C


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